SEC. 404. 5-YEAR EXTENSION OF MEDICARE DEPENDENT HOSPITAL (MDH) PROGRAM

Current law

Medicare dependent hospitals (MDH) are small rural hospitals, not classified as sole community hospitals, that treat relatively high proportions of Medicare patients. BBA 97 reinstated and extended the MDH program to FY 2001.

H.R. 3075, as passed

Extends the Medicare Dependent Hospital program through FY 2006.

S. 1788, as reported

Authorizes Medicare Dependent Hospitals to receive the market basket update in FY 2000 and subsequent years.

Extends the Medicare Dependent Hospital program through FY 2003.

Agreement

The agreement includes the House provision.

SEC. 405. REBASING FOR CERTAIN SOLE COMMUNITY HOSPITALS

Current law

Sole community hospitals are paid based on whichever of the following amounts yields the greatest Medicare reimbursement: (1) a hospital-specific amount based on its updated FY 1982 costs; (2) a hospital-specific amount based on its updated FY 1987 costs; or (3) the federal amount.

H.R. 3075, as passed

Permits sole community hospitals that are now paid the federal rate to transition over time to Medicare payment based on their FY 1996 costs.

S. 1788, as reported

No provision.

Agreement

The agreement includes the House provision.

SEC. 406. ONE-YEAR SOLE COMMUNITY HOSPITAL PAYMENT INCREASE

Current law

Sole community hospitals are paid based on whichever of the following amounts yields the greatest Medicare reimbursement: (1) a hospital-specific amount based on its updated FY 1982 costs; (2) a hospital-specific amount based on its updated FY 1987 costs; or (3) the federal amount.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Provides for market basket update for sole community hospitals and Medicare Dependent Hospitals in FY 2000 and subsequent years.

Agreement

The agreement includes the Senate provision with modifications. Sole community hospitals will receive a market basket update for one year only for discharges occurring in FY 2001.

SEC. 407. INCREASED FLEXIBILITY IN PROVIDING GRADUATE PHYSICIAN TRAINING IN RURAL AND OTHER AREAS

Current law

BBA 97 limited the number of residents that a hospital may count for graduate medical education (GME) to the number of full-time equivalent residents recognized in the hospital's most recent cost reporting period ending on or before December 31, 1996.

H.R. 3075, as passed

Permits rural hospitals to increase their resident limits by 30% for direct graduate medical education payments for cost reporting periods starting on or after October 1, 1999 and indirect medical education payments for discharges occurring on or after October 1, 1999.

Permits non-rural facilities that operate separately accredited rural training programs in underserved rural areas, or that operate accredited training programs with integrated rural tracks, to increase their resident limits for purposes of calculating direct graduate medical education payments effective for cost reporting periods starting on or after October 1, 1999 and for indirect medical education payments effective for discharges occurring on or after October 1, 1999.

S. 1788, as reported

Expands the number of residents reimbursed by Medicare to those appointed by the hospitals for periods ending on or before December 31, 1996; allows hospitals with only one residency program to increase their resident count by one per year, up to a maximum of three; allows hospitals to count residents associated with new training programs established on or after January 1, 1995 and before September 30, 1999; gives special consideration to facilities that are not located in a rural area but have established separately accredited rural training tracks.

Provides an exception to the count of residents to include those who participated in GME at a Veterans Affairs (VA) facility and were subsequently transferred on or after January 1, 1997 and before July 31, 1998 to the hospital because the program would lose accreditation if residents were trained at the VA facility. If the Secretary determines that the hospital is owed retroactive payments, these payments shall be made within 60 days of enactment.

Agreement

The agreement includes the House provision with amendment. It would allow hospitals to increase the number of primary care residents that it counts in the base year limit by up to 3 full-time equivalent residents if those individuals were on maternity, disability, or a similar approved leave of absence. The provision also permits non-rural facilities that operate separately accredited rural training programs in rural areas, or that operate accredited training programs with integrated rural tracks, to receive direct graduate medical education and indirect medical education payments for cost reporting periods beginning on of after April 1, 2000 and for discharges occurring on or after April 1, 2000. In addition, the agreement includes the Senate provision regarding an exception to the count of residents to include those who participated in GME at a Veterans Affairs (VA) facility and were subsequently transferred.

SEC. 408. ELIMINATION OF CERTAIN RESTRICTIONS WITH RESPECT TO HOSPITAL SWING BED PROGRAM

Current law

Medicare permits certain rural hospitals with fewer than 50 beds to use their inpatient facilities, as necessary, to furnish long-term care services. Rural hospitals with less than 100 beds can operate swing beds under certain circumstances.

H.R. 3075, as passed

Eliminates requirement that States review the need for swing beds through the Certificate of Need (CON) process. Constraints on length of stay are also eliminated.

S. 1788, as reported

No provision.

Agreement

The agreement includes the House provision.

SEC. 409. GRANT PROGRAM FOR RURAL HOSPITAL TRANSITION TO PROSPECTIVE PAYMENT

Current law

BBA 97 replaced and modified the existing Essential Access Community Hospital (EACH) program. The Secretary was authorized to award grants for certain limited purposes.

H.R. 3075, as passed

Permits rural hospitals with fewer than 50 beds to apply for grants not to exceed $50,000 for meeting the costs of implementing data systems required to meet BBA 97 amendments. A hospital receiving a grant may use the funds for the purchase of computer software and hardware, for the education and training of hospital staff, and costs related to the implementation of PPS systems. Requires the Secretary to report to Congressional committees at least annually on the grant program including the number of grants, the nature of projects that are funded, the geographic distribution of the grant recipients, and other matters that are deemed appropriate. Requires the Secretary to submit a final report no later than 180 days after the completion of all projects funded by such grants.

S. 1788, as reported

No provision.

Agreement

The agreement includes the House provision.

SEC. 410. GAO STUDY ON GEOGRAPHIC RECLASSIFICATION

Current law

No provision.

H.R. 3075, as passed

Requires the GAO to submit a report to Congress no later than 18 months after enactment on the current laws and regulations for geographic reclassification of hospitals under Medicare. The purpose of the GAO study is to determine the need for geographic reclassification, whether reclassification is appropriate for the application of wage indices, and whether reclassification results in more accurate payments to all hospitals. The study shall evaluate: (1) the magnitude of the effect of geographic reclassification on rural hospitals that do not reclassify; (2) whether the current thresholds used in geographic reclassification assign hospitals to appropriate labor markets; (3) the effect of eliminating geographic reclassification through the use of data on occupational mix; (4) the group reclassification process; (5) changes in the number of reclassifications and the compositions of the groups; (6) the effect of State-specific budget neutrality compared to national budget neutrality; and (7) whether there are sufficient controls over the intermediary evaluation of wage data reported by hospitals.

S. 1788, as reported

Requires the Secretary, in consultation with the Medicare Geographic Classification Review Board, to conduct a study to determine whether acute hospital PPS payment rates are an adequate proxy for the costs of inpatient hospital services and whether the standard for county-wide geographic reclassification needs to be updated or revised.

Agreement

The agreement includes the House provision. The parties to the agreement note that in recent years the geographic reclassification process and the increasing number of special designations for groups of hospitals have resulted in a system that is administratively cumbersome. In addition, the system, which relies on exceptions and waivers, lacks consistency and undermines the ability of hospitals to implement long-term planning. Most hospitals are required to reapply annually for geographic reclassification with no certainty that they will receive the desired wage index or standardized amount.

The parties to the agreement expect the GAO study to assess the background, rationale, and analytic justification for the current

rural definitions and exceptions process. The parties to the agreement hope that this report will be an important tool in helping the Congress craft a more objective and equitable approach to Medicare payment for rural hospitals. This will only become more critical as the Congress considers extending geographic reclassification to other types of prospective payment systems. The parties to the agreement specifically ask the GAO to consider in its analysis whether the geographic reclassification process should be extended to other types of providers, particularly to skilled nursing facilities.

SUBTITLE B—OTHER RURAL PROVISIONS

SEC. 411. MEDPAC STUDY OF RURAL PROVIDERS

Current law

No provision.

H.R. 3075, as passed

Requires MedPAC to conduct a study of rural providers, evaluate the adequacy and appropriateness of the categories of special Medicare payments (and payment methodologies) for rural hospitals, and their impact on beneficiary access and quality of health services. MedPAC shall submit its recommendations to Congress no later than 18 months after the date of enactment.

S. 1788, as reported

No provision.

Agreement

The agreement includes the House provision.

SEC. 412. EXPANSION OF ACCESS TO PARAMEDIC INTERCEPT SERVICES IN RURAL AREAS

Current law

BBA 97 authorized coverage of advanced life support (ALS) services provided by a paramedic intercept service provider in a rural area when medically necessary for the individual being transported and provided under contract with one or more qualified volunteer ambulance services. The volunteer ambulance service is certified, provides only basic life support services, and is prohibited by State law from billing for any services. The entity supplying the advanced life support services is Medicare-certified and bills all recipients who receive ALS services, regardless of whether the recipients are Medicare-eligible.

H.R. 3075, as passed

Expands the areas to be treated as rural areas to include those designated as rural areas by any State law or regulation or those located in a rural census tract of a Metropolitan Statistical Area (as determined under the Goldsmith Modification, published in the Federal Register on February 27, 1992).

S. 1788, as reported

No provision.

Agreement

The agreement includes the House provision with modification to clarify that the most recent Goldsmith Modification should be used. The parties to the agreement believe that a State-determined designation of a rural area or an area located in a rural census tract of a Metropolitan Statistical Area should be acceptable for purposes of expanding access to paramedic intercept services.

SEC. 413. PROMOTING PROMPT IMPLEMENTATION OF INFORMATICS, TELEMEDICINE, AND EDUCATION DEMONSTRATION PROJECT

Current law

BBA 97 authorized Medicare payment for professional consultations via telecommunications systems to beneficiaries residing in rural areas designated as health professional shortage areas (HPSA). HPSAs encompass either a full county or part of a county. BBA 97 also authorized a telehealth demonstration project for beneficiaries with diabetes mellitus in medically underserved rural or inner-city areas.

H.R. 3075, as passed

Requires the Secretary to award without additional review the diabetes mellitus demonstration project no later than 3 months after enactment to the best technical proposal as of the bill's enactment date. Clarifies that qualified medically underserved rural or urban inner-city areas are federally-designated medically underserved areas or HPSAs at the time of enrollment in the project. Changes the project's data requirements. Limits beneficiary cost sharing.

S. 1788, as reported

No provision.

Agreement

The agreement includes the House provision.

TITLE V—PROVISIONS RELATING TO PART C (MEDICARE+CHOICE PROGRAM) AND OTHER MEDICARE MANAGED CARE PROVISIONS

SUBTITLE A—PROVISIONS TO ACCOMMODATE AND PROTECT MEDICARE BENEFICIARIES

SEC. 501. CHANGES IN MEDICARE+CHOICE ENROLLMENT RULES

Current law

Beneficiaries enrolled in a Medicare+Choice (M+C) plan that terminates its contract with HCFA are guaranteed access to certain Medicare supplemental insurance policies (i.e. ''Medigap'' policies) offered in their area of residence if they sign up within 63 days of their Medicare+Choice plan termination.

In addition, beneficiaries, at their election, may enroll or disenroll from a M+C plan offered in their area any time during the year. Beginning in 2002, however, beneficiaries generally will be able to enroll in a M+C plan or change plans only during an annual, month-long, open enrollment period.

If a M+C plan withdrawals from a M+C payment area (typically a county), enrollees who reside in that county may only elect to retain their enrollment in the plan (and travel to neighboring counties to obtain covered services) in certain circumstances.

H.R. 3075, as passed

Specifies that an individual who is enrolled in a M+C plan that announces its intention to withdrawal from the M+C program may elect to exercise their guaranteed issue rights with (respect to obtaining a Medicare supplemental insurance policy) within 63 days of being notified of the plan's intention to terminate.

Permits continuous open enrollment in M+C plans after 2002 for institutionalized beneficiaries. Permits a plan leaving a M+C payment area (typically a county) to offer enrollees in that county the option of continuing enrollment in the plan, so long as they agree to obtain all basic services through plan providers located in other counties.

S. 1788, as reported

Similar provision regarding Medigap special election period.

Agreement

The agreement includes the House provision with a modification clarifying that the continuous open enrollment provisions for the institutionalized only permit enrollment in a M+C plan or changing from one M+C plan to another.

SEC. 502. CHANGE IN EFFECTIVE DATE OF ELECTIONS AND CHANGES OF ELECTIONS OF MEDICARE+CHOICE PLANS

Current law

Medicare+Choice plan enrollees may elect to disenroll from their M+C plan at any time, and either switch to another M+C plan offered in their area or elect to obtain benefits through the fee-for-service Medicare program. Beginning in 2002, generally enrollees will be only be able to change coverage options once a year.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Specifies that any request to enroll in or disenroll from a M+C plan made after the 10th of the month will not be effective until the first day of the second calendar month thereafter.

Agreement

The agreement includes the Senate provision.

SEC. 503. 2-YEAR EXTENSION OF MEDICARE COST CONTRACTS

Current law

Prior to enactment of BBA 97, beneficiaries were able to enroll in organizations with cost contracts. BBA 97 specified that cost-based contracts could not be renewed after December 31, 2002.

H.R. 3075, as passed

Extends the cost contract program through 2004.

S. 1788, as reported

Similar provision. However, after December 31, 2003, no new persons could enroll in a plan.

Agreement

The agreement includes the House provision.

SUBTITLE B—PROVISIONS TO FACILITATE IMPLEMENTATION OF THE MEDICARE+CHOICE PROGRAM

SEC. 511. PHASE-IN OF NEW RISK ADJUSTMENT METHODOLOGY; STUDIES AND REPORTS ON RISK ADJUSTMENT

Current law

Currently, M+C payments to plans are adjusted using only demographic factors, including age, gender, coverage by Medicaid, institutionalized status, and working status. The law requires implementation of a risk adjustment payment methodology based on health status, effective January 1, 2000.

The Secretary has proposed use of the principal inpatient diagnostic cost groups (PIP–DCG) method of risk adjustment, which is based on diagnoses of beneficiaries with an inpatient hospitalization as well as demographic characteristics.

The Secretary has proposed a phase-in of the new risk adjustment methodology by blending the current demographic method with the new PIP–DCG method. The proposed phase-in schedule would be:

Year	Demographics	PIP–DCG
2000	90 percent	10 percent
2001	70 percent	30 percent
2002	45 percent	55 percent
2003	20 percent	80 percent

A new comprehensive risk adjustment method based on inpatient and other settings would be used beginning in 2004.

H.R. 3075, as passed

The phase-in schedule is modified as follows:

Year	Demographic	Health status
2000	90 percent	10 percent
2001	90 percent	10 percent
2002	80 percent	20 percent
2003	70 percent	30 percent

Beginning in 2004, M+C rates would be adjusted by a risk adjuster based 100% on data from multiple settings.

S. 1788, as reported

The Senate phase-in would be identical to the House provision from 2000 through 2003.

In 2004, the risk adjuster would be 45% demographic/55% health status based, with 67% of health status rate based on data from inpatient settings and 33% based on data from inpatient and other settings. In 2005, it would be 20% demographic/80% health status based, with 33% of health status rate based on data from inpatient settings and 67% on data from inpatient and other settings. Beginning in 2006, 100% of the risk adjuster would be based health status data, and be completely determined using data from inpatient and other settings.

Exempts frail elderly beneficiaries enrolled in EverCare demonstration projects for the frail elderly from the new risk adjustment system in 2000.

Requires Secretary to: (a) conduct a study on the effects, costs, and feasibility of requiring fee-for-service providers and entities to comply with quality standards and related reporting requirements which are comparable to those required for M+C plans; and (b) study and report to Congress regarding data submissions used to establish risk adjustment methodology under M+C.

Agreement

The agreement includes the identical House/Senate provisions for 2000–2002, only. The parties to the agreement note that in 1997, when Congress required the Secretary to develop a risk adjuster for Medicare+Choice plans, it was concerned that those plans that treated the most severely ill enrollees were not adequately paid. The Congress envisioned a risk adjuster that would be more clinically-based than the old method of adjusting payments. The Congress did not instruct HCFA to implement the provision in a manner that would reduce aggregate Medicare+Choice payments. In addition, the Congressional Budget Office did not estimate that the provision would reduce aggregate Medicare+Choice payments. Consequently, the parties to the agreement urge the Secretary to revise the regulations implementing the risk adjuster so as to provide for more accurate payments, without reducing overall Medicare+Choice payments.

The parties to the agreement also note that as currently designed, the proposed Medicare+Choice risk adjuster fails to account for several unique aspects of Medicare's frail elderly population. The parties to the agreement note that the Secretary recently acknowledged her authority to address this problem by waiving application of the risk adjuster within the frail elderly demonstration project commonly known as EverCare. The parties to the agreement note that the Secretary will begin implementation of a multi-setting risk adjuster for all enrollees in 2004, and that such a risk adjuster should be designed to better predict the unique costs associated with caring for frail elderly beneficiaries. Consequently, the parties to the agreement encourage the Secretary to consider her ability to waive the application of the new risk adjuster to such beneficiaries until that time.

The parties to the agreement also believe Medicare enrollees with end-stage renal disease (ESRD) could benefit by being offered the opportunity to enroll in Medicare+Choice plans. However, the parties to the agreement understand that the current risk adjuster may not adequately reflect the varying costs of these patients and requests further information from the Secretary so that it might address this issue in the future. The parties to the agreement also encourage the Secretary to develop proposed quality of care requirements for Medicare beneficiaries with ESRD in this report.

The parties agreed to the Senate proposed study requiring the Secretary to: (a) conduct a study on the effects, costs, and feasibility of requiring fee-for-service providers and entities to comply with quality standards and related reporting requirements which are comparable to those required for M+C plans; and (b) study and report to Congress regarding data submission used to establish risk adjustment methodology under M+C.

SEC. 512. ENCOURAGING OFFERING OF MEDICARE+CHOICE PLANS IN AREAS WITHOUT PLANS

Current law

A M+C plan receives the M+C payment rate applicable to the payment area (typically a county) in which the enrollee resides, adjusted for risk. This rate is based on a formula which assigns to the county the highest of three different rates—a floor, a minimum update or a blended rate.

H.R. 3075, as passed

Would establish added bonus payments to encourage new M+C plans to enter counties that would otherwise not have a plan participating. The first plan to enter a previously unserved county would receive a 5% added payment during their first year and a 3% added payment during their second year.

S. 1788, as reported

No provision.

Agreement

The agreement includes the House provision. In some counties, beneficiaries have access to only one Medicare option: the fee-for-service Medicare program. The parties to the agreement expect that this temporary enhancement of payments will encourage new plans to enter areas without Medicare+Choice options.

SEC. 513. MODIFICATION OF 5-YEAR RE-ENTRY RULE FOR CONTRACT TERMINATIONS

Current law

The Secretary cannot enter into a M+C contract with a M+C organization, if within the preceding 5 years, that organization had a M+C contract which it did not renew. This prohibition may be waived under special circumstances.

H.R. 3075, as passed

Allows, under certain circumstances, a plan to re-enter a county if a legislative or regulatory change that would increase M+C payments in the area occurred within 6 months of the plan's notification to the Secretary of its intent to terminate its M+C contract. Permits re-entry only if, at the time it notified the Secretary, there is no more than one other M+C plan offered in the area.

S. 1788, as reported

Reduces the exclusion period from 5 years to 2 years.

Agreement

The agreement includes the House and Senate provisions with modifications. The parties recognize that some plans left the Medicare+Choice program because of increased administrative requirements and payment growth that was lower than expected. Since this bill would make payment changes affecting Medicare+Choice plans, this provision would provide an opportunity for the plans to return to a county, and therefore, increase options for beneficiaries.

The general exclusion period is reduced from 5 to 2 years, with specific exceptions permitted where there is a change in payment policy. Further, nothing is to be construed as affecting the authority of the Secretary to provide additional exceptions, including those specified in Operational Policy Letter Number 103.

SEC. 514. CONTINUED COMPUTATION AND PUBLICATION OF MEDICARE ORIGINAL FEE-FOR-SERVICE EXPENDITURES ON A COUNTY-SPECIFIC BASIS

Current law

The Secretary is required to announce each year the M+C payment rates for each payment area, as well as risk and other factors that are used in adjusting those payments. The Secretary is not currently required to publish adjusted annual per capita cost (AAPCC) data.

H.R. 3075, as passed

Requires the Secretary to continue to publish estimates of adjusted annual per capita cost data (AAPCCs) for each M+C payment area, which represent county-specific per capita fee-for-service expenditure information.

S. 1788, as reported

Requires Secretary to provide county-level data on fee-for-service spending.

Agreement

The agreement includes the Senate provision with modifications to require the Secretary to publish for the original Medicare fee-for-service program under Parts A and B for each M+C payment area: 1) total expenditures per capita separately for Parts A and B; 2) expenditures as in ''1'' reduced by best estimates of expenditures (such as graduate medical education and disproportionate share hospital payments) not related to payment of claims; 3) average risk factors based on diagnoses reported for medicare inpatient services; and 4) average risk factors based on diagnoses reported for inpatient and other sites of service. The Secretary is required to provide information for 1998 and 1999 in the 2001 report.

SEC. 515. FLEXIBILITY TO TAILOR BENEFITS UNDER MEDICARE+CHOICE PLANS

Current law

In general, M+C managed care plans offer benefits in addition to those provided under Medicare's benefit package, and may, subject to regulation, charge for these additional benefits. Under current law, the monthly basic and supplemental premiums and benefits cannot vary among individuals enrolled in the plan.

H.R. 3075, as passed

Permits a M+C plan to waive part or all of a premium if the M+C capitation rates the plan receives vary, so long as premiums do not vary within payment areas.

S. 1788, as reported

Allows plans to vary premiums, benefits, and cost-sharing across individuals enrolled in the plan so long as these are uniform within a separate segment of a service area. A segment would comprise one or more counties within the plan's service area.

Agreement

The agreement includes the Senate provision. The parties to the agreement are also concerned about allegations that some Medicare beneficiaries enrolled in the Medicare+Choice program are being denied certain Medicare-covered benefits. It was the clear intent of Congress in passing the Medicare+Choice program in BBA 97 that all beneficiaries enrolled in Medicare+Choice plans should be guaranteed access to all benefits covered by the traditional Medicare fee-for-service program. Therefore, the parties to the agreement would like to clarify that, pursuant to this fundamental requirement of the Balanced Budget Act of 1997, all Medicare beneficiaries enrolled in a Medicare+Choice plan under Part C are entitled to treatment by means of manual manipulation of the spine to correct a subluxation.

SEC. 516. DELAY IN DEADLINE FOR SUBMISSION OF ADJUSTED COMMUNITY RATES

Current law

BBA 97 required M+C plans to submit adjusted community rate (ACR) proposals by May 1 of the previous calendar year. The Secretary is required to make available, during the open enrollment period, comparative information on plans.

H.R. 3075, as passed

Changes the date for ACR submission from May 1st to July 1st. Specifies that, the Secretary will provide information to the extent it is available.

S. 1788, as reported

Similar provision. Also specifies that if a M+C organization intends to terminate a contract, it must provide notice to the Secretary 6 months in advance.

Agreement

The agreement includes the Senate provision with an amendment which retains the current law provisions relating to the information the Secretary is required to make available during the open enrollment period, and which reduces the required period of advance notification from 6 months to 4 months.

Despite this change, the parties to the agreement note that HCFA will know by mid-August of each year what the final plan premiums and benefits will be for each Medicare+Choice plan for the following calendar year. To help employers who sponsor retiree health benefits coordinate their own annual enrollment procedures, the parties to the agreement urge the Secretary to make this information available to such employers as soon as possible.

SEC. 517. REDUCTION IN ADJUSTMENT IN NATIONAL PER CAPITA MEDICARE+CHOICE GROWTH PERCENTAGE FOR 2002

Current law

The M+C payment rate is based on a formula which gives the payment area (generally a county) the highest of three different rates—a floor, a minimum update, or a blended rate. The blended capitation rates are subject to a budget neutrality provision. Each year, the Secretary projects national per capita growth rates in expenditures in fee-for-service Medicare. These projected rates are reduced by 0.8 percentage points for 1998, and by 0.5 percentage points annually from 1999 through 2002 to determine the national M+C growth percentage for that year. Growth rates are used to update the floor and blend payments in the M+C payment rate formula. Because the blend payments are subject to budget neutrality, they may not always be fully funded; thus annual increases in payment rates to these counties may be limited.

H.R. 3075, as passed

The provision would increase the national per capita M+C growth rate by 0.2 percentage points in 2002, by replacing the adjustment of -0.5 percentage points with -0.3 percentage points. The adjustment would remain at 0 for a year after 2002.

S. 1788, as reported

No provision.

Agreement

The agreement includes the House provision. The parties to the agreement expect that the increase in payments that will result from this provision will help to increase the number of counties paid a blended capitation payment rate.

SEC. 518. DEEMING OF MEDICARE+CHOICE ORGANIZATION TO MEET REQUIREMENTS

Current law

A M+C organization is required to meet certain standards. It is deemed to meet standards relating to quality assurance and confidentiality of records if it is accredited by a private organization that applies standards that are no less strict than M+C standards.

H.R. 3075, as passed

Requires the Secretary, within 210 days of receiving an application from a private accrediting organization, to determine whether such organization's accreditation procedures meet the requirements. If it does, the Secretary would be required to deem a M+C organization accredited by such accrediting entity as meeting the requirements relating to quality assurance and confidentiality of records.

S. 1788, as reported

No provision.

Agreement

The agreement includes the House provision with amendments. The Secretary would be required to recognize accreditation with respect to M+C requirements relating to anti-discrimination, access to services, information on advance directives, and provider participation. In approving accrediting bodies for M+C program purposes, the Secretary would be required to use the same basic organizational criteria that are used to approve accrediting bodies who survey hospitals under the fee-for-service program. The agreement also clarifies that the accreditation bodies may choose to deem M+C plans' compliance with one or more of the specified requirements.

This provision would clarify the deeming process so that it is consistent with deeming in the Medicare fee-for-service program. The provision puts in place incentives for M+C plans to seek higher standards achievable through accreditation and would reduce redundancy in the oversight process. This will help ensure that improvements in the quality of care are made available through M+C plans.

Although accredited plans will be deemed to meet HCFA's standards, the parties to the agreement note that HCFA will continue to have broad authority to establish the actual standards that the accrediting bodies enforce. Moreover, HCFA continues to have broad authority to conduct independent oversight activities with respect to plans and to respond to any concerns beneficiaries may raise about a M+C plan. HCFA will also be able to approve or disapprove of the deeming process submitted by private accreditation bodies and maintain its authority to review periodically an approved accreditation body's standards and performance in the field. Nevertheless, the parties to the agreement emphasize that the intent of Congress in 1997 was clear that private accreditation procedures should be utilized in the Medicare+Choice program. The parties to the agreement's intent in this regard has not changed. Consequently, the parties to the agreement expect that the Secretary shall recognize and utilize qualified accreditation entities that have the ability to certify and enforce any of the requirements specified in the provision.

SEC. 519. TIMING OF MEDICARE+CHOICE HEALTH INFORMATION FAIRS

Current law

There is an annual coordinated period in November of each year during which beneficiaries may sign up for or change their M+C plan. Beginning in 2002, this enrollment period generally will be the only time during the calendar year that such an election or change of election may be made. A nationally coordinated information and publicity campaign is held in November each year to provide beneficiaries with information about their plan options.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Permits HCFA to conduct the annual information campaign during the fall season.

Agreement

The agreement includes the Senate provision. The parties intend to give HCFA the flexibility to begin the annual information campaign earlier. For the purpose of this provision the parties intent for the Fall season to mean the months of September, October or November.

SEC. 520. QUALITY ASSURANCE REQUIREMENTS FOR PREFERRED PROVIDER ORGANIZATION PLANS

Current law

M+C program requirements mandate that participating plans maintain ongoing quality assurance programs. Quality assurance program requirements are more extensive for coordinated care plans (which rely upon networks of providers with whom they contract to provide coordinated services) than they are from MSA and fee-for-service M+C plans. In implementing these quality assurance requirements, the Secretary has required that participating plans meet Quality Improvement System for Managed Care (QISMC) standards and guidelines.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Exempts M+C preferred provider organizations from the QISMC requirements unless the Secretary establishes similar requirements for Medicare fee-for-service providers.

Agreement

The agreement includes the Senate provision with modifications. The provision would clarify that preferred provider organizations (PPOs) only be required to meet the quality assurance requirements currently applied to private fee-for-service and MSA plans. The provision further requires MedPAC to conduct a study on the appropriate quality assurance standards that should apply to each type of M+C plan (including each type of coordinated care plan) and to the original Medicare program. A report on this study is due within 2 years of enactment.

The changes incorporated in this provision are in response to the lack of preferred provider organizations participating in the M+C program, especially in rural counties. The parties to the agreement have taken these steps to help ensure that PPOs can reasonably comply with the quality assurance requirements under Part C, and strongly encourage PPO plans to begin offering coverage in rural counties.

SEC. 521. CLARIFICATION OF NONAPPLICABILITY OF CERTAIN PROVISIONS OF DISCHARGE PLANNING PROCESS TO MEDICARE+CHOICE PLANS

Current law

BBA 97 modified hospital discharge planning process to assure that patients are not directed to a single post-acute facility.

H.R. 3075, as passed

Provides an exemption for M+C enrollees.

S. 1788, as reported

No provision.

Agreement

The agreement includes the House provision with a modification specifying that a M+C discharge planning evaluation is not required to include information on the availability of home health services provided by individuals or entities that do not have a contract with the M+C organization. Further, the plan may specify or limit the provider or providers of post-hospital home

health services or other post-hospital services.

SEC. 522. USER FEE FOR MEDICARE+CHOICE ORGANIZATIONS BASED ON NUMBER OF ENROLLED BENEFICIARIES

Current law

Requires the Secretary to collect a user fee from each M+C organization for use in carrying out Medicare+Choice education and enrollment activities. The activities are directed at all Medicare beneficiaries, including the 84% still enrolled in the original medicare fee-for-service program under Parts A and B. The user fee is equal to the organization's pro rata share of the aggregate amount of fees authorized to be collected from M+C organizations. The Secretary is authorized to collect $100 million in user fees each year.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Specifies that the aggregate amount of fees collected from M+C organizations would be limited to a pro rata share of the total budget for the education and enrollment related activities. This pro rata share is to be based on the number of beneficiaries in M+C plans as compared to the total number of Medicare beneficiaries. Limits total amount available in a fiscal year to the Secretary to carry out functions to $100 million. Authorizes the Secretary to draw upon the trust funds to finance that portion of authorized activities that are not financed by user fees imposed on M+C plans.

Agreement

The agreement includes the Senate provision with modifications. The program is authorized for $100 million per year. A Medicare+Choice plan's share of the total is the same proportion as their share of the total Medicare population. For example, if a particular Medicare+Choice plans enrolled 2.5 percent of the total Medicare population, that plan would be responsible for 2.5 percent of the costs associated with the information campaign, up to the $100,000,000 authorized.

SEC. 523. CLARIFICATION REGARDING THE ABILITY OF A RELIGIOUS FRATERNAL BENEFIT SOCIETY TO OPERATE ANY MEDICARE+CHOICE PLAN

Current law

Religious fraternal benefit societies may restrict enrollment in their M+C plans to their members. This allowable restriction applies only to coordinated care plans.

H.R. 3075, as passed

Extends the authority to all M+C plans.

S. 1788, as reported

Extends the authority to all M+C plans except MSAs.

Agreement

The agreement includes the House provision.

SEC. 524. RULES REGARDING PHYSICIAN REFERRALS FOR MEDICARE+CHOICE PROGRAM

Current law

Currently it is unlawful for physicians who bill Medicare to refer patients to certain entities if the physician has an ownership interest in or a compensation arrangement with the entity to which the patient is referred. There is an exception for referrals to certain specified health plans that agree to provide care on a prepaid basis.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Specifies that the exception applies to M+C coordinated care plans.

Agreement

The agreement includes the Senate provision.

SUBTITLE C—DEMONSTRATION PROJECTS AND SPECIAL MEDICARE POPULATIONS

SEC. 531. EXTENSION OF SOCIAL HEALTH MAINTENANCE ORGANIZATION (SHMO) DEMONSTRATION PROJECT AUTHORITY

Current law

Under waivers from the Secretary of HHS, SHMOs provide integrated health and long-term care services on a prepaid capitation basis. Medicare demonstration project waivers are to expire on December 31, 2000. The Secretary is required to submit to Congress by January 1, 1999, a report with a plan for integration and transition of SHMOs into an option under Medicare+Choice (this report is not yet completed) and a final report on the demonstration projects by March 31, 2001. Permits enrollment limits per site to be no fewer than 36,000.

H.R. 3075, as passed

Extends the Medicare demonstration project waivers until 18 months after the Secretary submits an integration and transition plan report to Congress. Within 6 months after the Secretary's final report (due March 31, 2001), requires MedPAC to submit a report to Congress with recommendations regarding the demonstration project. Increases the aggregate limit on participants at all sites to not less than 324,000.

S. 1788, as reported

Extends Medicare demonstration project waivers until 1 year after the Secretary submits an integration and transition plan report to Congress. Requires the Secretary to submit a final report on the demonstration projects to Congress 1 year after the integration and transition plan report.

Agreement

The agreement includes the House provision.

SEC. 532. EXTENSION OF MEDICARE COMMUNITY NURSING ORGANIZATION DEMONSTRATION PROJECT

Current law

The community nursing organization demonstration project began on January 1, 1994 to test in four sites a system of capitated payments for specified community nursing services covered by Medicare. Experimental and control groups were followed for health care utilization and costs. The experiment ended at the end of 1997. BBA 97 extended the availability of services through 1999. A final report is in progress.

H.R. 3075, as passed

Extends the demonstration project for 2 years; requires the Secretary to submit a report to Congress on the results of the demonstration project no later than July 1, 2001.

S. 1788, as reported

No provision.

Agreement

The agreement includes the House provision with an amendment requiring the Secretary to provide for such reductions in payments under the project, in either year, which are necessary to ensure that federal expenditures under the project do not exceed those which would have been made in the absence of the project extension.

SEC. 533. MEDICARE+CHOICE COMPETITIVE BIDDING DEMONSTRATION PROJECT

Current law

BBA 97 requires the Secretary to establish a demonstration project under which payments to Medicare+Choice organizations are determined by a competitive pricing methodology, in accordance with the recommendations of the Competitive Pricing Advisory Committee (CPAC), the composition and responsibilities of which were also established under BBA 97.

H.R. 3075, as passed

Delays implementation of the project until January 1, 2002 or, if later, 6 months after CPAC submits reports on (a) incorporating original fee-for-service Medicare into the demonstration; (b) quality activities required by participating plans; (c) the viability of expanding the demonstration project to a rural site; and (d) the nature of the benefit structure required from plans that participate in the demonstration. The Secretary is also required, subject to recommendations by CPAC, to allow plans that make bids below the established government contribution rate, to offer beneficiaries rebates on their Part B premiums.

This provision is designed to give both CPAC and Congress more time to resolve some of the initial concerns that have been raised about the demonstration project, as it is currently designed. By delaying the start date an additional year, and by tasking CPAC to report back on the identified areas of concern, the parties to the agreement believe appropriate modifications to the project can be implemented before its inauguration so as to improve its chances of success. Similarly, the additional time provided by the delay will afford the Secretary, CPAC and the area advisory committees additional time to work with the communities designated under the project to resolve outstanding issues of concern.

S. 1788, as reported

No provision.

Agreement

The agreement includes the House provision.

Sec. 534. Extension of Medicare Municipal Health Services Demonstration Projects (MHSP)

Current law

The MHSP is a multi-site demonstration to improve access to primary care services. BBA 97 extended the project through Dec. 2000 to provide a transition to mainstream Medicare.

H.R. 3075, as passed

Extends the project through December 31, 2001.

S. 1788, as reported

No provision.

Agreement

The agreement includes the House provision, with an amendment to extend the project through December 31, 2002.

SEC. 535. MEDICARE COORDINATED CARE DEMONSTRATION PROJECT

Current law

BBA 97 provided for a coordinated care demonstration project in a cancer hospital. Funds would only be available as provided in any law making appropriations for the District of Columbia.

H.R. 3075, as passed

Specifies that the funding is to be made from Medicare trust funds in such amounts as are necessary to cover the costs of the project.

S. 1788, as reported

No provision.

Agreement

The agreement includes the House provision.

The parties to the agreement are concerned that the Secretary has not acted upon a previously expressed Congressional mandate contained in the Balanced Budget Act of 1997 with respect to best practices in the area of coordinated care. Specifically, the mandate contained in Subchapter D, Section 4016 of the law required the Secretary no

later than two years after enactment to conduct nine demonstration projects, that among other things, would evaluate best practices in the management of chronic illness. The parties to the agreement are aware that a solicitation for such proposals in the areas of, but not limited to, congestive heart failure and diabetes mellitus contained in the Health Care Financing Administration Federal Register Notice of June 11, 1998, Vol. 63, No. 112 has not yet been acted upon by the Department, despite clear Congressional interest to evaluate and understand the potential benefits of these programs for better delivery of care to Medicare beneficiaries.

Therefore, the parties direct the Secretary to implement no later than 90 days after enactment of this law demonstrations enunciated in BBA 97, including a demonstration focused on the best practices available in chronic illness. Specifically, the parties also direct the Secretary no later than 90 days after enactment of this law to implement the case management demonstration focused on congestive heart failure and diabetes mellitus contained in the HCFA Federal Register solicitation of June 11, 1998.

SEC. 536. MEDIGAP PROTECTIONS FOR PACE PROGRAM ENROLLEES

Current law

The law guarantees issuance of specified Medigap policies to certain persons in terminating plans and, within their first twelve months of Medicare eligibility, to persons who enter directly into a M+C plan when becoming eligible for Medicare.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Extends protections to PACE enrollees in similar circumstances.

Agreement

The agreement includes the Senate provision with a modification to limit application of the provision to persons 65 years of age and older. The agreement does not include an extension of the disenrollment window for involuntarily terminated enrollees.

Subtitle D—Medicare+Choice Nursing and Allied Health Professional Education Payments

SEC. 541. MEDICARE+CHOICE NURSING AND ALLIED HEALTH PROFESSIONAL EDUCATION PAYMENTS

Current law

Medicare's calculation of managed care rates incorporates the additional payments made to teaching hospitals that operate residency training programs. BBA 97 reduced these rates by carving out the costs attributable to graduate medical education payments for physicians. The payment reduction is phased in over 5 years. Teaching hospitals will receive additional payments depending upon the number of Medicare managed care beneficiaries they serve.

H.R. 3075, as passed

Authorizes hospitals that operate approved nursing and allied health professional training programs to receive additional payments to reflect utilization of Medicare+Choice enrollees. The relationship of allied health direct graduate medical education (DGME) payments for Medicare+Choice enrollees to physician DGME payments for Medicare+Choice enrollees shall be in the same proportion as total allied health DGME payments to total DGME payments. The allied health payments to different hospitals are proportional to the direct costs of each hospital for such programs. In no case can this payment exceed $60 million. Physician DGME payment for Medicare+Choice utilization will be adjusted by the amount of additional payments that will be made for allied health professions under this provision.

S. 1788, as reported

No provision.

Agreement

The agreement includes the House provision with technical modifications. Hospitals that operate approved nursing and allied health professional training programs and receive Medicare reasonable cost reimbursement for these programs would receive additional payments to reflect utilization of Medicare+Choice enrollees for portions of the cost reporting periods occurring in a year beginning in 2000. As specified by the Secretary, the payment amount would be calculated based on the proportion of physician direct graduate medical education (DGME) payments for Medicare+Choice enrollees to total physician DGME payments multiplied by the Secretary's estimate of total reasonable cost reimbursement for approved nursing and allied health professional training programs. In no case could this payment exceed $60 million. Hospitals would receive these allied health payments in proportion to amount of Medicare reasonable cost reimbursement for nursing and allied health programs received in the cost reporting period in the second preceding fiscal year to the total paid to all hospitals for such cost reporting period. Physician DGME payment for Medicare+Choice utilization would be reduced by the amount of additional payments that would be made for nursing and allied health professions under this provision.

Subtitle E—Studies and Reports

SEC. 551. REPORT ON ACCOUNTING FOR VA AND DOD EXPENDITURES FOR MEDICARE BENEFICIARIES

Current law

No provision.

H.R. 3075, as passed

Requires the Secretaries of HHS, DOD, and VA no later than a year from enactment to submit to Congress a report on the use of health services furnished by DOD and VA to Medicare beneficiaries including Medicare+Choice enrollees and Medicare fee-for-service beneficiaries.

S. 1788, as reported

No provision.

Agreement

The agreement includes the House provision with an amendment. The amendment requires the study to be conducted no later than April 1, 2001.

On a similar matter, the parties to the agreement are also concerned about the ability of Medicare beneficiaries who are also entitled to Veterans Administration health care services to obtain the full benefit of these separate entitlements. This issue is of particular concern in areas where VA health facilities are inadequate to fully meet the needs of these veteran beneficiaries. While beneficiaries in these areas are often able to readily obtain Medicare covered services from Medicare providers, the lack of Veterans Health Administration facilities often prevents them from obtaining more generous VA benefits for their health care needs. As a result, these beneficiaries often have to pay more in out-of-pocket health spending than similarly entitled veterans who reside near VA facilities.

To address this problem, the parties to the agreement encourage the Secretary to consult with the Secretary of the Department of Veterans Affairs and consider ways in which the two Secretaries could institute procedures that would allow for the greater coordination of benefits—and consequently greater access to needed care—for this special population.

SEC. 552. MEDICARE PAYMENT ADVISORY COMMISSION (MEDPAC) STUDIES AND REPORTS

Current law

No provision.

H.R. 3075, as passed

Requires MedPAC to submit to Congress a report on specific legislative changes that would make MSA plans a viable option under the M+C program.

S. 1788, as reported

Requires MedPAC to conduct a study that evaluates the methodology used by the Secretary in developing risk adjustment factors for M+C capitation rates. Requires MedPAC to conduct a study on the development of a payment methodology under M+C for frail elderly beneficiaries enrolled in specialized programs.

Agreement

The agreement includes the House and Senate provisions.

SEC. 553. GAO STUDIES, AUDITS, AND REPORTS

Current law

No provision.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Requires the GAO to conduct a study of Medigap policies. Requires the GAO to conduct annual audits of the Secretary's expenditures for providing M+C information to beneficiaries.

Agreement

The agreement includes the Senate provision.

TITLE VI—MEDICAID

SEC. 601. INCREASE IN DSH ALLOTMENT FOR CERTAIN STATES AND THE DISTRICT OF COLUMBIA

Current law

The federal share of Medicaid disproportionate share payments is capped at amounts specified for each state.

H.R. 3075, as passed

Increases the ceiling on the federal share of DSH payments for the District of Columbia, from $23 million to $32 million for each of fiscal years 2000 through 2002; for Minnesota, from $16 million to $33 million for each of fiscal years 1999 through 2002; for New Mexico, from $5 million to $9 million for each of fiscal years 1998 through 2002; and for Wyoming, from 0 to $.1 million for each of fiscal years 1999 through 2002.

S. 1788, as reported

Same as House provision.

Agreement

The agreement follows the House bill and the Senate bill.

SEC. 602. REMOVAL OF FISCAL YEAR LIMITATION ON CERTAIN TRANSITIONAL ADMINISTRATIVE COSTS ASSISTANCE

Current law

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 replaced the Aid to Families with Dependent Children (AFDC) program and established the Temporary Assistance for Needy Families (TANF) program. Under the old program, people who qualified for AFDC were automatically eligible for Medicaid. Welfare reform de-linked Medicaid and TANF eligibility. Concerned that state Medicaid programs would face large new administrative costs for conducting Medicaid eligibility determinations that would otherwise not have occurred, Congress established a fund of $500 million to assist with the transitional costs of the new eligibility activities. The funds are available at an increased federal match for states that can demonstrate to the satisfaction of the Secretary that such additional

administrative costs were attributable to welfare reform. The increased matching funds are available for the period beginning with fiscal year 1997 and ending with fiscal year 2000 and must relate to costs incurred during the first 12 quarters following the welfare reform effective date.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Extends the availability of the transitional increased federal matching funds beyond fiscal year 2000 and allows costs for which the increased matching funds are claimed to relate to costs incurred for the calender quarters beyond the first 12 following the effective date of welfare reform.

Agreement

The agreement includes the Senate provision.

SEC. 603. TWO-YEAR MORATORIUM ON PHASE-OUT OF PAYMENT FOR FEDERALLY-QUALIFIED HEALTH CENTER SERVICES AND RURAL HEALTH CLINIC SERVICES BASED ON REASONABLE COSTS

Current law

States pay FQHCs and RHCs a percentage of the facilities' reasonable costs for providing services. This percentage decreases for specified fiscal years—100% of costs for services furnished during FY1998 and FY1999; 95% for FY2000; 90% for FY2001; 85% for FY2002; and 70% for FY2003. For services furnished on or after October 1, 2003, no required payment percentage will apply. Two special payment rules are applicable during FY1998–FY2002. In the case of a contract between an FQHC or RHC and a managed care organization (MCO), the MCO must pay the FQHC or RHC at least as much as it would pay any other provider for similar services. States are required to make supplemental payments to the FQHCs and RHCs, equal to the difference between the contracted amounts and the cost-based amounts.

H.R. 3075, as passed

Creates a new Medicaid prospective payment system for FQHCs and RHCs beginning with FY2000. For the base year (defined as FY2000 for existing entities and the initial year of FQHC or RHC qualification for new entities established after FY1999), per visit payments are equal to 100% of the reasonable costs during the previous year for existing entities and the base year for new entities, adjusted for any increase in the scope of services furnished. For each fiscal year thereafter, per visit payments are equal to amounts for the preceding fiscal year increased by the percentage increase in the Medicare Economic Index applicable to primary care services for that fiscal year, and adjusted for any increase in the scope of services furnished during that fiscal year. In managed care contracts, States must make supplemental payments equal to the difference between contracted amounts and the cost-based amounts. Alternative payment methods are permitted only when payments are at least equal to amounts otherwise provided.

S. 1788, as reported

Retains the phase-out of cost-based reimbursement under Medicaid for FQHCs and RHCs as delineated in current law, and adds a new grant program. Beginning in FY2001, transitional grants outside the Medicaid program may be awarded to qualifying states to pay for services allowable under Medicaid when provided by FQHC and RHC to individuals who are not eligible for Medicaid. These grants will be made only to states that are paying 100% of reasonable costs to FQHCs and RHCs under Medicaid with one exception—states that have elected to pay FQHCs and RHCs 95% of reasonable costs in FY2000 and which revert to paying 100% of reasonable costs for FY2001 through FY2003 may also qualify for this new grant. For each of fiscal years 2001 through 2003, grant amounts are based on the ratio of the number of low-income persons in a state to the total number of such persons in all states. Counts of low-income persons equal the average number of such persons estimated using the 3 most recent March supplements of the CPS before the beginning of the calendar year in which the fiscal year begins. Annual grant amounts for any state will be no less than $400,000, and the Secretary will make pro rata adjustments as needed to achieve this requirement. There are no matching fund requirements for states. Also, each state awarded a grant will have 3 years in which to spend the funds allotted for a given fiscal year. States must distribute funds among all FQHCs and RHCs using uniform criteria based on factors such as size of caseload and treatment costs. Up to 15% of grant amounts per fiscal year may be used by states for administrative costs associated with this program. Total annual appropriations are $25 million for each of fiscal years 2001 through 2003. The GAO will conduct an annual study (due on November 1 of each year for 2000 through 2003) to determine the impact of the phase-out of cost-based reimbursement for FQHCs and RHCs and will report related recommendations for legislation.

Agreement

The agreement imposes a two-year moratorium on the phase-down of the cost-based reimbursement system set forth in the Balanced Budget Act of 1997. This will freeze the phase-down at 95 percent for fiscal years 2001 and 2002, and then the phase-down will resume at 90 percent in 2003, 85 percent in 2004. Cost-based reimbursement will be repealed in 2005. The General Accounting Office (GAO) will conduct an analysis of the impact of reducing or modifying payments based on the reasonable cost standard for federally qualified health centers and rural health clinics and the populations they serve. The GAO shall report back to Congress within 12 months with their findings and recommendations. This study shall evaluate a sampling of different payment approaches.

SEC. 604. PARITY IN REIMBURSEMENT FOR CERTAIN UTILIZATION AND QUALITY CONTROL SERVICES; ELIMINATION OF DUPLICATIVE REQUIREMENTS FOR EXTERNAL QUALITY REVIEW OF MEDICAID MANAGED CARE ORGANIZATIONS

a. Parity in Reimbursement for Certain Utilization and Quality Control Services

Current law

Current Medicaid law provides that States will receive 75% federal financial participation (FFP) when contracting with a Peer Review Organization (PRO) for medical and utilization reviews and for quality reviews. In addition, states can receive 75% FFP when they contract with a PRO-like entity but only for external quality reviews of Medicaid managed care. For all other reviews and entities, the standard 50% FFP applies.

A PRO is an entity that has a Medicare contract to perform medical and utilization reviews. A PRO-like entity is one that is certified by the Secretary as meeting the requirements of Section 1152 which defines standards for PROs under Medicare.

H.R. 3075, as passed

States will receive 75% FFP when PRO-like entities conduct medical and utilization reviews for fee-for-service Medicaid, and quality reviews for Medicaid managed care.

S. 1788, as reported

No provision.

Agreement

The agreement includes the House provision.

b. Elimination of Duplicative Requirements for External Quality Review of Medicaid Managed Care Organizations

Current law

Medicaid managed care organizations are required to obtain annual independent, external reviews using either a utilization and quality control peer review organization, a PRO defined under section 1152, or a private accreditation body. The results must be made available to the State and upon request to the Secretary, the Inspector General of HHS and the Comptroller General. This requirement is contained in three different sections of Medicaid law.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Deletes the external review requirements of Section 1902(a)(30)(C) and related parts of Sections 1902(d), 1903(a)(3)(C)(i) and 1903(m)(6)(B). Also requires the Secretary of HHS to certify to Congress that the external review requirement in Section 1932(c)(2) is fully implemented.

Agreement

The agreement includes the Senate provision.

SEC. 605. INAPPLICABILITY OF ENHANCED MATCH UNDER THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM TO MEDICAID DSH PAYMENTS

Current law

States have a great deal of flexibility in determining the formula used to calculate DSH payments to individual hospitals within minimum and maximum federal criteria. Those payments are matched by the federal government at the federal medical assistance percentage (FMAP), the same percentage that the federal government matches most other Medicaid payments for benefits. On the other hand, Medicaid payments for children who are eligible for benefits on the basis of being a targeted low-income child under Title XXI are matched at an enhanced federal matching percentage which is considerably higher than the basic Medicaid FMAP.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Clarifies that Medicaid DSH payments are matched at the FMAP and not at the enhanced federal matching percentage authorized under Title XXI.

Agreement

The agreement includes the Senate provision.

SEC. 606. OPTIONAL DEFERMENT OF THE EFFECTIVE DATE FOR OUTPATIENT DRUG AGREEMENTS

Current law

Medicaid law requires that rebate agreements between the Secretary (or, if authorized by the Secretary, with the States) and drug manufacturers that were not in effect before March 1, 1991 become effective the first day of the calendar quarter that begins more than 60 days after the date the agreement is entered into.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Allows rebate agreements entered into after the date of enactment of this act to become effective on the date on which the agreement is entered into, or at State option, any date before or after the date on which the agreement is entered into.

Agreement

The agreement includes the Senate provision.

SEC. 607. MAKING MEDICAID DSH TRANSITION RULE PERMANENT

Current law

Medicaid authorizes states to make special disproportionate share (DSH) payments to certain hospitals treating large numbers of low-income and Medicaid patients. States determine the formula used to calculate DSH payments to individual hospitals within minimum and maximum federal criteria. For the period July 1, 1997 through July 1, 1999, hospital-specific disproportionate share payments for the State of California may be as high as 175% of the cost of care provided to Medicaid recipients and individuals who have no health insurance or other third-party coverage for services during the year (net of non-disproportionate share Medicaid payments and other payments by uninsured individuals).

H.R. 3075, as passed

Removes the July 1, 1999, end date for increased hospital-specific disproportionate share payments for the State of California, extending the transition period indefinitely.

S. 1788, as reported

Same as House provision.

Agreement

The agreement follows the House bill and the Senate bill.

SEC. 608. MEDICAID TECHNICAL CORRECTIONS

Current law

No provision.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Makes technical corrections to cross-references in Title XIX.

Agreement

The agreement includes the Senate provision.

TITLE VII—STATE CHILDREN'S HEALTH INSURANCE PROGRAM (SCHIP)

SEC. 701. STABILIZING THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM ALLOTMENT FORMULA

Current law

States and the District of Columbia are allotted funds for SCHIP using a distribution formula based on the product of the ''number of children'' and a ''state cost factor.'' For FY1998 through FY2000, the number of children is equal to the 3-year average of uninsured children in families with income below 200% FPL, using the three most recent March supplements of the Current Population Survey. For subsequent fiscal years, the number of children is a combination of low-income uninsured children and low-income children (75/25 percent split for FY2001 and a 50/50 percent split for FY2002 and thereafter). The state cost factor for a fiscal year equals the sum of .85 multiplied by the ratio of the annual average wages per employee to the national average wages per employee and .15. The measure for the annual average wages per employee is based on the 3 most recent years for employees in the health services industry. SCHIP allotments are subject to a floor of $2 million.

H.R. 3075, as passed

Accelerates the phase-in of the use of low-income children in calculating the ''number of children'' in the allotment distribution formula. Changes the data set to be used to estimate the number of children for a fiscal year from the three most recent March supplements of the CPS to the three most recent supplements available before the calendar year in which the fiscal year begins. Specifies new methods for determining floors and ceilings on allotments for the states and the District of Columbia for FY2000 and beyond. The floor remains $2 million, stated as a proportion of the total amount available for allotments for a fiscal year. For each fiscal year, the floor will not be less than 90% of a state's allotment proportion for the preceding year. The cumulative floor is set at 70% of the proportion for FY1999. The cumulative ceiling is capped at 145% of a state's allotment proportion for FY1999. If these methods create a deficit in a given year, there will be a ceiling on the maximum increase permitted in that year to ensure budget neutrality; if these methods create a surplus in a given year, there will be a pro-rata increase for all states below the ceiling. These new methods do not apply to unspent allotments that are redistributed to states as specified in Section 2104(f) of Title XXI.

S. 1788, as reported

Same as House provision.

Agreement

The agreement follows the House bill and the Senate bill.

SEC. 702. INCREASED ALLOTMENTS FOR TERRITORIES UNDER THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM

Current law

Of the total amount available for allotment for the SCHIP program, commonwealths and territories are allotted .25%, to be divided among them based on specified percentages. In addition, for fiscal year 1999, commonwealths and territories were allotted $32 million. This additional allotment amount was also divided among them based on the same specified percentages as the basic allotment.

H.R. 3075, as passed

Requires additional allotments for the commonwealths and territories of $34.2 million for each of fiscal years 2000 and 2001, $25.2 million for each of fiscal years 2002 through 2004, $32.4 million for each of fiscal years 2005 and 2006, and $40 million for fiscal year 2007.

S. 1788, as reported

Same as House provision.

Agreement

The agreement follows the House bill and the Senate bill.

SEC. 703. IMPROVED DATA COLLECTION AND EVALUATIONS OF THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM

a. Funding for Reliable Annual State-by-State Estimates on the Number of Children Who Do Not Have Health Insurance Coverage

Current law

No provision.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Requires that the Secretary of Commerce make appropriate adjustments to the annual CPS to produce statistically reliable annual State-level data on the number of low-income children without health insurance. Data should be stratified by family income, age, and race or ethnicity. Appropriate adjustments to the CPS may include expanding sample size and/or sampling units within States, and appropriate verification methods. Requires that $10 million be appropriated for FY–2000 and for each year thereafter. These changes to the CPS will improve critical data for evaluation purposes. They will also affect State-specific counts of number of low-income children and the number of such children who have no health insurance coverage that feed into the formula in existing law that determines annual State-specific allotments from federal SCHIP appropriations.

Agreement

The agreement includes the Senate provision.

b. Funding for Children's Health Care Access and Utilization State-by-State Data

CURRENT LAW

No provision.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Requires the Secretary of HHS, acting through the National Center for Health Statistics (NCHS), to collect data on children's health insurance through the State and Local Area Integrated Telephone Survey (SLAITS) for the 50 States and the District of Columbia. The data collected must provide reliable, annual State-by-State information on health care access and utilization by low-income children. Data must also allow for stratification by family income, age, and race or ethnicity. The Secretary must obtain input from appropriate sources, including States, in designing the survey and its content. Requires that $9 million be appropriated for FY–2000 and for each year thereafter. At State request, the Secretary may also collect additional SLAITS data to assist with individual State SCHIP evaluations, for which the States must reimburse NCHS for such services.

Agreement

The Senate provision is not included.

C. FEDERAL EVALUATION OF STATE CHILDREN'S HEALTH INSURANCE PROGRAMS

CURRENT LAW

The Secretary is required to submit to Congress by December 31, 2001, a report based on the annual evaluations submitted by States, with conclusions and recommendations, as appropriate.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Adds a new federal evaluation to current law. The Secretary of HHS, directly or through contracts or interagency agreements, would be required to conduct an independent evaluation of 10 States with approved SCHIP plans. The selected States must represent diverse approaches to providing child health assistance, a mix of geographic areas (including rural and urban areas), and a significant portion of uninsured children. The federal evaluation will include, but not be limited to: (1) a survey of the target population, (2) an assessment of effective and ineffective outreach and enrollment practices for both SCHIP and Medicaid, (3) an analysis of Medicaid eligibility rules and procedures that are a barrier to enrollment in Medicaid, and how coordination between Medicaid and SCHIP has affected enrollment under both programs, (4) an assessment of the effects of cost-sharing policies on enrollment, utilization and retention, and (5) an analysis of disenrollment patterns and factors influencing this process. The Secretary must submit the results of the federal evaluation to Congress no later than December 31, 2001. Requires that $10 million be appropriated for FY–2000. This appropriation shall remain available without fiscal year limitation.

Agreement

The agreement includes the Senate provision.

d. Inspector General Audit and GAO Report on Enrollees Eligible for Medicaid

Current law

No provision.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Requires that the Inspector General of HHS conduct an audit to determine how many Medicaid-eligible children are incorrectly enrolled in SCHIP among a sample of States that provide child health assistance through separate programs only (not via a Medicaid expansion). This audit will also assess progress in reducing the number of uninsured children relative to the goals stated in approved SCHIP plans. The first such audit will be conducted in FY2000, and will be repeated every third fiscal year thereafter. Requires the GAO to monitor these audits and report their results to Congress within six months of audit completion (i.e., by March 1 of the fiscal year following each audit).

Agreement

The agreement includes the Senate provision.

e. Coordination of Data Collection with Data Requirements Under the Maternal and Child Health Services Block Grant

Current law

States are required to submit annual reports detailing their activities under the Maternal and Child Health (MCH) Services Block Grant. These reports must include, among other items, information (by racial and ethnic group) on: (1) the number of deliveries to pregnant women who were provided prenatal, delivery or postpartum care under the block grant or who were entitled to benefits with respect to such deliveries under Medicaid, and (2) the number of infants under one year of age who were provided services under the block grant or were entitled to benefits under Medicaid.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Adds to the existing reporting requirement under the MCH Block Grant authority inclusion of information (by racial and ethnic group) on the number of deliveries to pregnant women entitled to benefits under SCHIP, and the number of infants under age one year entitled to SCHIP benefits.

Agreement

The agreement includes the Senate provision.

f. Coordination of Data Surveys and Reports

Current law

No provision.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Requires that the Secretary of HHS establish a clearinghouse for the consolidation and coordination of all federal data bases and reports regarding children's health.

Agreement

The agreement includes the Senate provision.

SEC. 704. REFERENCES TO SCHIP AND STATE CHILDREN'S HEALTH INSURANCE PROGRAM

Current law

No provision.

H.R. 3075, as passed

No provision.

S. 1788, as reported

No provision.

Agreement

Requires that the Secretary of Health and Human Services use the term State children's health insurance program and SCHIP instead of children's health insurance program and CHIP.

SEC. 705. STATE CHILDREN'S HEALTH INSURANCE PROGRAM TECHNICAL CORRECTIONS

Current law

No provision.

H.R. 3075, as passed

No provision.

S. 1788, as reported

Makes technical corrections to selected sections of Title XXI.

Agreement

The agreement includes the Senate provision.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001''.

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) ACT.—This Act is organized into two divisions as follows:

(1) DIVISION A.—Department of State Provisions.

(2) DIVISION B.—Arms Control, Nonproliferation, and Security Assistance Provisions.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

SEC. 3. DEFINITIONS.

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—Except as otherwise provided in section 902(1), the term ''appropriate congressional committees'' means the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of State.

DIVISION A—DEPARTMENT OF STATE PROVISIONS

TITLE I—AUTHORIZATIONS OF APPROPRIATIONS

Subtitle A—Department of State

SEC. 101. ADMINISTRATION OF FOREIGN AFFAIRS.

The following amounts are authorized to be appropriated for the Department of State under ''Administration of Foreign Affairs'' to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law, including public diplomacy activities and the diplomatic security program:

(1) DIPLOMATIC AND CONSULAR PROGRAMS.—

(A) AUTHORIZATION OF APPROPRIATIONS.—For ''Diplomatic and Consular Programs'' of the Department of State, $2,837,772,000 for the fiscal year 2000 and $3,263,438,000 for the fiscal year 2001.

(B) LIMITATIONS.—

(i) WORLDWIDE SECURITY UPGRADES.—Of the amounts authorized to be appropriated by subparagraph (A), $254,000,000 for the fiscal year 2000 and $315,000,000 for the fiscal year 2001 is authorized to be appropriated only for worldwide security upgrades.

(ii) BUREAU OF DEMOCRACY, HUMAN RIGHTS, AND LABOR.—Of the amounts authorized to be appropriated by subparagraph (A), $12,000,000 for the fiscal year 2000 and $12,000,000 for the fiscal year 2001 is authorized to be appropriated only for salaries and expenses of the Bureau of Democracy, Human Rights, and Labor.

(iii) RECRUITMENT OF MINORITY GROUPS.—Of the amounts authorized to be appropriated by subparagraph (A), $2,000,000 for fiscal year 2000 and $2,000,000 for fiscal year 2001 is authorized to be appropriated only for the recruitment of members of minority groups for careers in the Foreign Service and international affairs.

(2) CAPITAL INVESTMENT FUND.—For ''Capital Investment Fund'' of the Department of State, $90,000,000 for the fiscal year 2000 and $150,000,000 for the fiscal year 2001.

(3) EMBASSY SECURITY, CONSTRUCTION AND MAINTENANCE.—For ''Embassy Security, Construction and Maintenance'', $434,066,000 for the fiscal year 2000 and $445,000,000 for the fiscal year 2001.

(4) REPRESENTATION ALLOWANCES.—For ''Representation Allowances'', $5,850,000 for the fiscal year 2000 and $5,850,000 for the fiscal year 2001.

(5) EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE.—For ''Emergencies in the Diplomatic and Consular Service'', $17,000,000 for the fiscal year 2000 and $17,000,000 for the fiscal year 2001.

(6) OFFICE OF THE INSPECTOR GENERAL.—For ''Office of the Inspector General'', $30,054,000 for the fiscal year 2000 and $30,054,000 for the fiscal year 2001.

(7) PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN.—For ''Payment to the American Institute in Taiwan'', $15,760,000 for the fiscal year 2000 and $15,918,000 for the fiscal year 2001.

(8) PROTECTION OF FOREIGN MISSIONS AND OFFICIALS.—

(A) AMOUNTS AUTHORIZED TO BE APPROPRIATED.—For ''Protection of Foreign Missions and Officials'', $9,490,000 for the fiscal year 2000 and $9,490,000 for the fiscal year 2001.

(B) AVAILABILITY OF FUNDS.—Each amount appropriated pursuant to this paragraph is authorized to remain available through September 30 of the fiscal year following the fiscal year for which the amount was appropriated.

(9) REPATRIATION LOANS.—For ''Repatriation Loans'', $1,200,000 for the fiscal year 2000 and $1,200,000 for the fiscal year 2001, for administrative expenses.

SEC. 102. INTERNATIONAL COMMISSIONS.

The following amounts are authorized to be appropriated under ''International Commissions'' for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

(1) INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO.—For ''International Boundary and Water Commission, United States and Mexico''—

(A) for ''Salaries and Expenses'', $20,413,000 for the fiscal year 2000 and $20,413,000 for the fiscal year 2001; and

(B) for ''Construction'', $8,435,000 for the fiscal year 2000 and $8,435,000 for the fiscal year 2001.

(2) INTERNATIONAL BOUNDARY COMMISSION, UNITED STATES AND CANADA.—For ''International Boundary Commission, United States and Canada'', $859,000 for the fiscal year 2000 and $859,000 for the fiscal year 2001.

(3) INTERNATIONAL JOINT COMMISSION.—For ''International Joint Commission'', $3,819,000 for the fiscal year 2000 and $3,819,000 for the fiscal year 2001.

(4) INTERNATIONAL FISHERIES COMMISSIONS.—For ''International Fisheries Commissions'', $16,702,000 for the fiscal year 2000 and $16,702,000 for the fiscal year 2001.

SEC. 103. MIGRATION AND REFUGEE ASSISTANCE.

(a) MIGRATION AND REFUGEE ASSISTANCE.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for ''Migration and Refugee Assistance'' for authorized activities, $750,000,000 for the fiscal year 2000 and $750,000,000 for the fiscal year 2001.

(2) LIMITATIONS.—

(A) TIBETAN REFUGEES IN INDIA AND NEPAL.—Of the amounts authorized to be appropriated in paragraph (1), $2,000,000 for the fiscal year 2000 and $2,000,000 for the fiscal year 2001 is authorized to be available for humanitarian assistance, including food, medicine, clothing, and medical and vocational training, to Tibetan refugees in India and Nepal who have fled Chinese-occupied Tibet.

(B) REFUGEES RESETTLING IN ISRAEL.—Of the amounts authorized to be appropriated in paragraph (1), $60,000,000 for the fiscal year 2000 and $60,000,000 for the fiscal year 2001 is authorized to be available only for assistance for refugees resettling in Israel from other countries.

(C) HUMANITARIAN ASSISTANCE FOR DISPLACED BURMESE.—Of the amounts authorized to be appropriated in paragraph (1), $2,000,000 for the fiscal year 2000 and $2,000,000 for the fiscal year 2001 are authorized to be available for humanitarian assistance (including food, medicine, clothing, and medical and vocational training) to persons displaced as a result of civil conflict in Burma, including persons still within Burma.

(D) ASSISTANCE FOR DISPLACED SIERRA LEONEANS.—Of the amounts authorized to be appropriated in paragraph (1), $2,000,000 for the fiscal year 2000 and $2,000,000 for the fiscal year 2001 are authorized to be available for humanitarian assistance (including food, medicine, clothing, and medical and vocational training) and resettlement of persons who have been severely mutilated as a result of civil conflict in Sierra Leone, including persons still within Sierra Leone.

(E) INTERNATIONAL RAPE COUNSELING PROGRAM.—Of the amounts authorized to be appropriated in paragraph (1), $1,000,000 for the fiscal year 2000 and $1,000,000 for the fiscal year 2001 are authorized to be appropriated for a program of counseling for female victims of rape and gender violence in times of conflict and war.

(b) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to this section are authorized to remain available until expended.

SEC. 104. UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS.

(a) IN GENERAL.—The following amounts are authorized to be appropriated for the Department of State to carry out international information activities and educational and cultural exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, the Dante B. Fascell North-South Center Act of 1991, and the National Endowment for Democracy Act, other such programs including the Claude and Mildred Pepper Scholarship Program of the Washington Workshops Foundation and the Mike Mansfield Fellowship Program, and to carry out other authorities in law consistent with such purposes:

(1) EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.—

(A) FULBRIGHT ACADEMIC EXCHANGE PROGRAMS.—For the ''Fulbright Academic Exchange Programs'' (other than programs described in subparagraph (B)), $112,000,000 for the fiscal year 2000 and $120,000,000 for the fiscal year 2001.

(B) OTHER EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.—

(i) IN GENERAL.—For other educational and cultural exchange programs authorized by law, including the Claude and Mildred Pepper Scholarship Program of the Washington Workshops Foundation and Mike Mansfield Fellowship Program, $98,329,000 for the fiscal year 2000 and $105,000,000 for the fiscal year 2001.

(ii) SOUTH PACIFIC EXCHANGES.—Of the amounts authorized to be appropriated under clause (i), $750,000 for the fiscal year 2000 and $750,000 for the fiscal year 2001 is authorized to be available for ''South Pacific Exchanges''.

(iii) EAST TIMORESE SCHOLARSHIPS.—Of the amounts authorized to be appropriated under clause (i), $500,000 for the fiscal year 2000 and $500,000 for the fiscal year 2001 is authorized to be available for ''East Timorese Scholarships''.

(iv) TIBETAN EXCHANGES.—Of the amounts authorized to be appropriated under clause (i), $500,000 for the fiscal year 2000 and $500,000 for the fiscal year 2001 is authorized to be available for ''Ngawang Choephel Exchange Programs'' (formerly known as educational and cultural exchanges with Tibet) under section 103(a) of the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996 (Public Law 104–319).

(v) AFRICAN EXCHANGES.—Of the amounts authorized to be appropriated under clause (i), $500,000 for the fiscal year 2000 and $500,000 for the fiscal year 2001 is authorized to be available only for ''Educational and Cultural Exchanges with Sub-Saharan Africa''.

(vi) ISRAEL-ARAB PEACE PARTNERS PROGRAM.—Of the amounts authorized to be appropriated under clause (i), $750,000 for the fiscal year 2000 and $750,000 for the fiscal year 2001 is authorized to be available only for people-to-people activities (with a focus on young people) to support the Middle East peace process involving participants from Israel, the Palestinian Authority, Arab countries, and the United States, to be known as the ''Israel-Arab Peace Partners Program''. Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall submit a plan to the appropriate congressional committees for implementation of such program. The Secretary shall not implement the plan until 45 days after its submission to the appropriate congressional committees.

(2) NATIONAL ENDOWMENT FOR DEMOCRACY.—

(A) AUTHORIZATION OF APPROPRIATIONS.—For the ''National Endowment for Democracy'', $32,000,000 for the fiscal year 2000 and $32,000,000 for the fiscal year 2001.

(B) REAGAN-FASCELL DEMOCRACY FELLOWS.—Of the amount authorized to be appropriated by subparagraph (A), $1,000,000 for fiscal year 2000 and $1,000,000 for the fiscal year 2001 is authorized to be appropriated only for a fellowship program, to be known as the ''Reagan-Fascell Democracy Fellows'', for democracy activists and scholars from around the world at the International Forum for Democratic Studies in Washington, D.C., to study, write, and exchange views with other activists and scholars and with Americans.

(3) DANTE B. FASCELL NORTH-SOUTH CENTER.—For ''Dante B. Fascell North-South Center'' $2,500,000 for the fiscal year 2000 and $2,500,000 for the fiscal year 2001.

(4) CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST.—For the ''Center for Cultural and Technical Interchange between East and West'', $12,500,000 for the fiscal year 2000 and $12,500,000 for the fiscal year 2001.

(b) MUSKIE FELLOWSHIPS.—

(1) EXCHANGES WITH RUSSIA.—Of the amounts authorized to be appropriated by this or any other Act for the fiscal years 2000 and 2001 for exchange programs with the Russian Federation, $5,000,000 for fiscal year 2000 and $5,000,000 for fiscal year 2001 shall be available only to carry out the Edmund S. Muskie Program under section 227 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102–138; 22 U.S.C. 2452 note).

(2) DOCTORAL GRADUATE STUDIES FOR NATIONALS OF THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—Of the amounts authorized to be appropriated by this or any other Act for the fiscal years 2000 and 2001 for exchange programs, $1,500,000 for fiscal year 2000 and $1,500,000 for fiscal year 2001 shall be available only to provide scholarships for doctoral graduate study in economics to nationals of the independent states of the former Soviet Union under the Edmund S. Muskie Fellowship Program authorized by section 227 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102–138; 22 U.S.C. 2452 note).

(c) VIETNAM FULBRIGHT ACADEMIC EXCHANGE PROGRAM.—Of the amounts authorized to be appropriated by subsection (a)(1)(A), $4,000,000 for the fiscal year 2000 and $4,000,000 for the fiscal year 2001 shall be available only to carry out the Vietnam scholarship program established by section 229 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102–138; 22 U.S.C. 2452 note).

SEC. 105. GRANTS TO THE ASIA FOUNDATION.

Section 404 of The Asia Foundation Act (title IV of Public Law 98–164; 22 U.S.C. 4403) is amended to read as follows:

''SEC. 404. There are authorized to be appropriated to the Secretary of State $15,000,000 for each of the fiscal years 2000 and 2001 for grants to The Asia Foundation pursuant to this title.''.

SEC. 106. CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated under the heading ''Contributions to International Organizations'' $940,000,000 for the fiscal year 2000 and such sums as may be necessary for the fiscal year 2001 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international organizations and to carry out other authorities in law consistent with such purposes.

(2) AVAILABILITY OF FUNDS FOR CIVIL BUDGET OF NATO.—Of the amounts authorized in paragraph (1), $48,977,000 are authorized in fiscal year 2000 and such sums as may be necessary in fiscal year 2001 for the United States assessment for the civil budget of the North Atlantic Treaty Organization.

(b) NO GROWTH BUDGET.—Of the funds made available under subsection (a), $80,000,000 may be made available during each calendar year only after the Secretary of State certifies that the United Nations has taken no action during the preceding calendar year to increase funding for any United Nations program without identifying an offsetting decrease during that calendar year elsewhere in the United Nations budget of $2,533,000,000, and cause the United Nations to exceed the initial 1998–99 United Nations biennium budget adopted in December 1997.

(c) INSPECTOR GENERAL OF THE UNITED NATIONS.—

(1) WITHHOLDING OF FUNDS.—Twenty percent of the funds made available in each fiscal year under subsection (a) for the assessed contribution of the United States to the United Nations shall be withheld from obligation and expenditure until a certification is made under paragraph (2).

(2) CERTIFICATION.—A certification under this paragraph is a certification by the Secretary of State in the fiscal year concerned that the following conditions are satisfied:

(A) ACTION BY THE UNITED NATIONS.—The United Nations—

(i) has met the requirements of paragraphs (1) through (6) of section 401(b) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 287e note), as amended by paragraph (3);

(ii) has established procedures that require the Under Secretary General of the Office of Internal Oversight Services to report directly to the Secretary General on the adequacy of the Office's resources to enable the Office to fulfill its mandate; and

(iii) has made available an adequate amount of funds to the Office for carrying out its functions.

(B) AUTHORITY BY OIOS.—The Office of Internal Oversight Services has authority to audit, inspect, or investigate each program, project, or activity funded by the United Nations, and each executive board created under the United Nations has been notified of that authority.

(3) AMENDMENT OF THE FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1994 AND 1995.—Section 401(b) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 is amended—

(A) by amending paragraph (6) to read as follows:

''(6) the United Nations has procedures in place to ensure that all reports submitted by the Office of Internal Oversight Services are made available to the member states of the United Nations without modification except to the extent necessary to protect the privacy rights of individuals.''; and

(B) by striking ''Inspector General'' each place it appears and inserting ''Office of Internal Oversight Services''.

(d) PROHIBITION ON CERTAIN GLOBAL CONFERENCES.—None of the funds made available under subsection (a) shall be available for any United States contribution to pay for any expense related to the holding of any United Nations global conference, except for any conference scheduled prior to October 1, 1998.

(e) PROHIBITION ON FUNDING OTHER FRAMEWORK TREATY-BASED ORGANIZATIONS.—None of the funds made available for the 1998–1999 biennium budget under subsection (a) for United States contributions to the regular budget of the United Nations shall be available for the United States proportionate share of any other framework treaty-based organization, including the Framework Convention on Global Climate Change, the International Seabed Authority, the Desertification Convention, and the International Criminal Court.

(f) FOREIGN CURRENCY EXCHANGE RATES.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated by subsection (a), there are authorized to be appropriated such sums as may be necessary for each of fiscal years 2000 and 2001 to offset adverse fluctuations in foreign currency exchange rates.

(2) AVAILABILITY OF FUNDS.—Amounts appropriated under this subsection shall be available for obligation and expenditure only to the extent that the Director of the Office of Management and Budget determines and certifies to Congress that such amounts are necessary due to such fluctuations.

(g) REFUND OF EXCESS CONTRIBUTIONS.—The United States shall continue to insist that the United Nations and its specialized and affiliated agencies shall credit or refund to each member of the agency concerned its proportionate share of the amount by which the total contributions to the agency exceed the expenditures of the regular assessed budgets of these agencies.

SEC. 107. CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES.

There are authorized to be appropriated under the heading ''Contributions for International Peacekeeping Activities'' $500,000,000 for the fiscal year 2000 and such sums as may be necessary for the fiscal year 2001 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international peacekeeping activities and to carry out other authorities in law consistent with such purposes.

SEC. 108. VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for ''Voluntary Contributions to International Organizations'', $293,000,000 for the fiscal year 2000 and such sums as may be necessary for the fiscal year 2001.

(b) LIMITATIONS ON AUTHORIZATIONS OF APPROPRIATIONS.—

(1) WORLD FOOD PROGRAM.—Of the amounts authorized to be appropriated under subsection (a), $5,000,000 for the fiscal year 2000 and $5,000,000 for the fiscal year 2001 is authorized to be appropriated only for a United States contribution to the World Food Program.

(2) UNITED NATIONS VOLUNTARY FUND FOR VICTIMS OF TORTURE.—Of the amounts authorized to be appropriated under subsection (a), $5,000,000 for the fiscal year 2000 and $5,000,000 for the fiscal year 2001 is authorized to be appropriated only for a United States contribution to the United Nations Voluntary Fund for Victims of Torture.

(3) ORGANIZATION OF AMERICAN STATES.—Of the amounts authorized to be appropriated under subsection (a), $240,000 for the fiscal year 2000 and $240,000 for the fiscal year 2001 is authorized to be appropriated only for a United States contribution to the Organization of American States for the Office of the Special Rapporteur for Freedom of Expression in the Western Hemisphere to conduct investigations, including field visits, to establish a network of

nongovernmental organizations, and to hold hemispheric conferences, of which $6,000 for each fiscal year is authorized to be appropriated only for the investigation and dissemination of information on violations of freedom of expression by the Government of Cuba, $6,000 for each fiscal year is authorized to be appropriated only for the investigation and dissemination of information on violations of freedom of expression by the Government of Peru, and $6,000 for each fiscal year is authorized to be appropriated only for the investigation and dissemination of information on violations of freedom of expression by the Government of Colombia.

(4) UNICEF.—Of the amounts authorized to be appropriated under subsection (a), $110,000,000 for the fiscal year 2000 is authorized to be appropriated only for a United States contribution to UNICEF.

(c) RESTRICTIONS ON UNITED STATES VOLUNTARY CONTRIBUTIONS TO UNITED NATIONS DEVELOPMENT PROGRAM.—

(1) LIMITATION.—Of the amounts made available under subsection (a) for each of the fiscal years 2000 and 2001 for United States voluntary contributions to the United Nations Development Program an amount equal to the amount the United Nations Development Program will spend in Burma during each fiscal year shall be withheld unless during such fiscal year the Secretary of State submits to the appropriate congressional committees the certification described in paragraph (2).

(2) CERTIFICATION.—The certification referred to in paragraph (1) is a certification by the Secretary of State that all programs and activities of the United Nations Development Program (including United Nations Development Program—Administered Funds) in Burma—

(A) are focused on eliminating human suffering and addressing the needs of the poor;

(B) are undertaken only through international or private voluntary organizations that have been deemed independent of the State Peace and Development Council (SPDC) (formerly known as the State Law and Order Restoration Council (SLORC)), after consultation with the leadership of the National League for Democracy and the leadership of the National Coalition Government of the Union of Burma;

(C) provide no financial, political, or military benefit to the SPDC; and

(D) are carried out only after consultation with the leadership of the National League for Democracy and the leadership of the National Coalition Government of the Union of Burma.

(d) CONTRIBUTIONS TO THE UNITED NATIONS FUND FOR POPULATION ACTIVITIES.—

(1) LIMITATIONS ON AMOUNT OF CONTRIBUTION.—Of the amounts made available under subsection (a), not more than $25,000,000 for fiscal year 2000 and $25,000,000 for fiscal year 2001 shall be available for the United Nations Fund for Population Activities (hereinafter in this subsection referred to as the ''UNFPA'').

(2) PROHIBITION ON USE OF FUNDS IN CHINA.—None of the funds made available under subsection (a) may be made available for the UNFPA for a country program in the People's Republic of China.

(3) CONDITIONS ON AVAILABILITY OF FUNDS.—Amounts made available under subsection (a) for each of the fiscal years 2000 and 2001 for the UNFPA may not be made available to the UNFPA unless—

(A) the UNFPA maintains amounts made available to the UNFPA under this section in an account separate from other accounts of the UNFPA;

(B) the UNFPA does not commingle amounts made available to the UNFPA under this section with other sums; and

(C) the UNFPA does not fund abortions.

(4) REPORT TO CONGRESS AND WITHHOLDING OF FUNDS.—

(A) Not later than February 15, of each of the years 2000 and 2001, the Secretary of State shall submit a report to the appropriate congressional committees indicating the amount of funds that the United Nations Fund for Population Activities is budgeting for the year in which the report is submitted for a country program in the People's Republic of China.

(B) If a report under subparagraph (A) indicates that the United Nations Population Fund plans to spend funds for a country program in the People's Republic of China in the year covered by the report, then the amount of such funds that the UNFPA plans to spend in the People's Republic of China shall be deducted from the funds made available to the UNFPA after March 1 for obligation for the remainder of the fiscal year in which the report is submitted.

(e) AVAILABILITY OF FUNDS.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

Subtitle B—United States International Broadcasting Activities

SEC. 121. AUTHORIZATIONS OF APPROPRIATIONS.

(a) IN GENERAL.—The following amounts are authorized to be appropriated to carry out the United States International Broadcasting Act of 1994, the Radio Broadcasting to Cuba Act, and the Television Broadcasting to Cuba Act, and to carry out other authorities in law consistent with such purposes:

(1) INTERNATIONAL BROADCASTING ACTIVITIES.—For ''International Broadcasting Activities'', $385,900,000 for the fiscal year 2000, and $393,618,000 for the fiscal year 2001.

(2) BROADCASTING CAPITAL IMPROVEMENTS.—For ''Broadcasting Capital Improvements'', $20,868,000 for the fiscal year 2000, and $20,868,000 for the fiscal year 2001.

(3) BROADCASTING TO CUBA.—For ''Broadcasting to Cuba'', $22,743,000 for the fiscal year 2000 and $22,743,000 for the fiscal year 2001.

(4) RADIO FREE ASIA.—For ''Radio Free Asia'', $24,000,000 for the fiscal year 2000, and $30,000,000 for the fiscal year 2001.

TITLE II—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES

Subtitle A—Basic Authorities and Activities

SEC. 201. OFFICE OF CHILDREN'S ISSUES.

(a) DIRECTOR REQUIREMENTS.—The Secretary of State shall fill the position of Director of the Office of Children's Issues of the Department of State (in this section referred to as the ''Office'') with an individual of senior rank who can ensure long-term continuity in the management and policy matters of the Office and has a strong background in consular affairs.

(b) CASE OFFICER STAFFING.—Effective April 1, 2000, there shall be assigned to the Office of Children's Issues of the Department of State a sufficient number of case officers to ensure that the average caseload for each officer does not exceed 75.

(c) EMBASSY CONTACT.—The Secretary of State shall designate in each United States diplomatic mission an employee who shall serve as the point of contact for matters relating to international abductions of children by parents. The Director of the Office shall regularly inform the designated employee of children of United States citizens abducted by parents to that country.

(d) REPORTS TO PARENTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), beginning 6 months after the date of enactment of this Act, and at least once every 6 months thereafter, the Secretary of State shall report to each parent who has requested assistance regarding an abducted child overseas. Each such report shall include information on the current status of the abducted child's case and the efforts by the Department of State to resolve the case.

(2) EXCEPTION.—The requirement in paragraph (1) shall not apply in a case of an abducted child if—

(A) the case has been closed and the Secretary of State has reported the reason the case was closed to the parent who requested assistance; or

(B) the parent seeking assistance requests that such reports not be provided.

SEC. 202. STRENGTHENING IMPLEMENTATION OF THE HAGUE CONVENTION ON THE CIVIL ASPECTS OF INTERNATIONAL CHILD ABDUCTION.

Section 2803(a) of the Foreign Affairs Reform and Restructuring Act of 1998 (as contained in division G of Public Law 105–277) is amended—

(1) in the first sentence, by striking ''1999,'' and inserting ''2001,'';

(2) in paragraph (1), by striking ''United States citizens'' and inserting ''applicants in the United States'';

(3) in paragraph (2), by striking ''abducted.'' and inserting ''abducted, are being wrongfully retained in violation of United States court orders, or which have failed to comply with any of their obligations under such convention with respect to applications for the return of children, access to children, or both, submitted by applicants in the United States.'';

(4) in paragraph (3)—

(A) by striking ''children'' and inserting ''children, access to children, or both,''; and

(B) by striking ''United States citizens'' and inserting ''applicants in the United States'';

(5) in paragraph (4), by inserting before the period at the end the following: '', including the specific actions taken by the United States chief of mission in the country to which the child is alleged to have been abducted''; and

(6) by inserting after paragraph (5) the following new paragraphs:

''(6) A list of the countries that are parties to the Convention in which, during the reporting period, parents who have been left-behind in the United States have not been able to secure prompt enforcement of a final return or access order under a Hague proceeding, of a United States custody, access, or visitation order, or of an access or visitation order by authorities in the country concerned, due to the absence of a prompt and effective method for enforcement of civil court orders, the absence of a doctrine of comity, or other factors.

''(7) A description of the efforts of the Secretary of State to encourage the parties to the Convention to facilitate the work of nongovernmental organizations within their countries that assist parents seeking the return of children under the Convention.''.

SEC. 203. REPORT CONCERNING ATTACK IN CAMBODIA.

Not later than 30 days after the date of the enactment of this Act, and one year thereafter unless the investigation referred to in this section is completed, the Secretary of State, in consultation with the Attorney General, shall submit a report to the appropriate congressional committees, in classified and unclassified form, containing the most current information on the investigation into the March 30, 1997, grenade attack in Cambodia.

SEC. 204. INTERNATIONAL EXPOSITIONS.

(a) LIMITATION.—Except as provided in subsection (b) and notwithstanding any other provision of law, the Department of State may not obligate or expend any funds appropriated to the Department of State for a United States pavilion or other major exhibit at any international exposition or world's fair registered by the Bureau of International Expositions in excess of amounts expressly authorized and appropriated for such purpose.

(b) EXCEPTIONS.—

(1) IN GENERAL.—The Department of State is authorized to utilize its personnel and resources to carry out the responsibilities of the Department for the following:

(A) Administrative services, including legal and other advice and contract administration, under section 102(a)(3) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2452(a)(3)) related to United States participation in international fairs and expositions abroad. Such administrative services may not

include capital expenses, operating expenses, or travel or related expenses (other than such expenses as are associated with the provision of administrative services by employees of the Department of State).

(B) Activities under section 105(f) of such Act with respect to encouraging foreign governments, international organizations, and private individuals, firms, associations, agencies and other groups to participate in international fairs and expositions and to make contributions to be utilized for United States participation in international fairs and expositions.

(C) Encouraging private support of United States pavilions and exhibits at international fairs and expositions.

(2) STATUTORY CONSTRUCTION.—Nothing in this subsection authorizes the use of funds appropriated to the Department of State to make payments for—

(A) contracts, grants, or other agreements with any other party to carry out the activities described in this subsection; or

(B) the satisfaction of any legal claim or judgment or the costs of litigation brought against the Department of State arising from activities described in this subsection.

(c) NOTIFICATION.—No funds made available to the Department of State by any Federal agency to be used for a United States pavilion or other major exhibit at any international exposition or world's fair registered by the Bureau of International Expositions may be obligated or expended unless the appropriate congressional committees are notified not less than 15 days prior to such obligation or expenditure.

(d) REPORTS.—The Commissioner General of a United States pavilion or other major exhibit at any international exposition or world's fair registered by the Bureau of International Expositions shall submit to the Secretary of State and the appropriate congressional committees a report concerning activities relating to such pavilion or exhibit every 180 days while serving as Commissioner General and shall submit a final report summarizing all such activities not later than 1 year after the closure of the pavilion or exhibit.

(e) REPEAL.—Section 230 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 2452 note) is repealed.

SEC. 205. RESPONSIBILITY OF THE AID INSPECTOR GENERAL FOR THE INTER-AMERICAN FOUNDATION AND THE AFRICAN DEVELOPMENT FOUNDATION.

(a) RESPONSIBILITIES.—Section 8A(a) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) by striking ''and'' at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(3) by adding at the end the following:

''(3) shall supervise, direct, and control audit and investigative activities relating to programs and operations within the Inter-American Foundation and the African Development Foundation.''.

(b) CONFORMING AMENDMENT.—Section 8A(f) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by inserting before the period at the end the following: '', an employee of the Inter-American Foundation, and an employee of the African Development Foundation''.

SEC. 206. REPORT ON CUBAN DRUG TRAFFICKING.

(a) IN GENERAL.—Not later than 120 days after the date of enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees an unclassified report (with a classified annex) on the extent of international drug trafficking through Cuba since 1990. The report shall include the following:

(1) Information concerning the extent to which the Cuban Government or any official, employee, or entity of the Government of Cuba has engaged in, facilitated, or condoned such trafficking.

(2) The extent to which agencies of the United States Government have investigated or prosecuted such activities.

(b) LIMITATION.—The report need not include information about isolated instances of conduct by low-level employees, except to the extent that such information may suggest improper conduct by more senior officials.

SEC. 207. REVISION OF REPORTING REQUIREMENT.

Section 3 of Public Law 102–1 is amended by striking ''60 days'' and inserting ''90 days''.

SEC. 208. FOREIGN LANGUAGE PROFICIENCY.

(a) REPORT ON LANGUAGE PROFICIENCY.—Section 702 of the Foreign Service Act of 1980 (22 U.S.C. 4022) is amended by adding at the end the following new subsection:

''(c) Not later than March 31 of each year, the Director General of the Foreign Service shall submit a report to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives summarizing the number of positions in each overseas mission requiring foreign language competence that—

''(1) became vacant during the previous calendar year; and

''(2) were filled by individuals having the required foreign language competence.''.

(b) REPEAL.—Section 304(c) of the Foreign Service Act of 1980 (22 U.S.C. 3944(c)) is repealed.

SEC. 209. CONTINUATION OF REPORTING REQUIREMENTS.

(a) REPORTS ON CLAIMS BY UNITED STATES FIRMS AGAINST THE GOVERNMENT OF SAUDI ARABIA.—Section 2801(b)(1) of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted by division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105–277) is amended by striking ''third'' and inserting ''seventh''.

(b) REPORTS ON DETERMINATIONS UNDER TITLE IV OF THE LIBERTAD ACT.—Section 2802(a) of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted by division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105–277) is amended by striking ''September 30, 1999,'' and inserting ''September 30, 2001,''.

(c) RELATIONS WITH VIETNAM.—Section 2805 of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted by division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105–277) is amended by striking ''September 30, 1999,'' and inserting ''September 30, 2001,''.

(d) REPORTS ON BALLISTIC MISSILE COOPERATION WITH RUSSIA.—Section 2705(d) of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted by division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105–277) is amended by striking ''and January 1, 2000,'' and inserting ''January 1, 2000, and January 1, 2001,''.

(e) CONTINUATION OF REPORTS TERMINATED BY THE FEDERAL REPORTS ELIMINATION AND SUNSET ACT OF 1995.—Section 3003(a)(1) of the Federal Reports Elimination and Sunset Act of 1995 (Public Law 104–66; 31 U.S.C. 1113 note) does not apply to any report required to be submitted under any of the following provisions of law:

(1) Section 1205 of the International Security and Development Cooperation Act of 1985 (Public Law 99–83; 22 U.S.C. 2346 note) (relating to annual reports on economic conditions in Egypt, Israel, Turkey, and Portugal).

(2) Section 1307(f)(1)(A) of the International Financial Institutions Act (Public Law 95–118) (relating to an assessment of the environmental impact of proposed multilateral development bank actions).

(3) Section 118(f) of the Foreign Assistance Act of 1961 (Public Law 87–195; 22 U.S.C. 2151p–1) (relating to the protection of tropical forests).

(4) Section 586J(c)(4) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991 (Public Law 101–513) (relating to sanctions taken by other nations against Iraq).

(5) Section 3 of the Authorization for Use of Military Force Against Iraq Resolution (Public Law 102–1; 105 Stat. 3) (relating to the status of efforts to obtain Iraqi compliance with United Nations Security Council resolutions).

(6) Section 124 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100–204; 22 U.S.C. 2680 note) (relating to expenditures for emergencies in the diplomatic and consular service).

(7) Section 620C(c) of the Foreign Assistance Act of 1961 (Public Law 87–195; 22 U.S.C. 2373(c)) (relating to progress made toward the conclusion of a negotiated solution to the Cyprus problem).

(8) Section 533(b) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 19991 (Public Law 101–513) (relating to international natural resource management initiatives).

(9) Section 3602 of the Omnibus Trade and Competitiveness Act of 1988 (Public Law 100–418; 22 U.S.C. 5352) (relating to foreign treatment of United States financial institutions).

(10) Section 1702 of the International Financial Institutions Act (Public Law 95–118; 22 U.S.C. 262r-1) (relating to operating summaries of the multilateral development banks).

(11) Section 1303(c) of the International Financial Institutions Act (Public Law 95–118; 22 U.S.C. 262m-2(c)) (relating to international environmental assistance programs).

(12) Section 1701(a) of the International Financial Institutions Act (Public Law 95–118; 22 U.S.C. 262r) (relating to United States participation in international financial institutions).

(13) Section 163(a) of the Trade Act of 1974 (Public Law 93–618; 19 U.S.C. 2213) (relating to the trade agreements program and national trade policy agenda).

(14) Section 8 of the Export-Import Bank Act (Public Law 79–173; 12 U.S.C. 635g) (relating to Export-Import Bank activities).

(15) Section 407(f) of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 83–480; 7 U.S.C. 1736a) (relating to Public Law 480 programs and activities).

(16) Section 239(c) of the Foreign Assistance Act of 1961 (Public Law 87–195; 22 U.S.C. 2199(c)) (relating to OPIC audit report).

(17) Section 504(i) of the National Endowment for Democracy Act (Public Law 98–164; 22 U.S.C. 4413(i)) (relating to the activities of the National Endowment for Democracy).

(18) Section 5(b) of the Japan-United States Friendship Act (Public Law 94–118; 22 U.S.C. 2904(b)) (relating to Japan-United States Friendship Commission activities).

SEC. 210. JOINT FUNDS UNDER AGREEMENTS FOR COOPERATION IN ENVIRONMENTAL, SCIENTIFIC, CULTURAL AND RELATED AREAS.

Amounts made available to the Department of State for participation in joint funds under agreements for cooperation in environmental, scientific, cultural and related areas prior to fiscal year 1996 which, pursuant to express terms of such international agreements, were deposited in interest-bearing accounts prior to disbursement may earn interest, and interest accrued to such accounts may be used and retained without return to the Treasury of the United States and without further appropriation by Congress. The Department of State shall take action to ensure the complete and timely disbursement of appropriations and associated interest within joint funds covered by this section and final disposition of such agreements.

SEC. 211. REPORT ON INTERNATIONAL EXTRADITION.

(a) REPORT TO CONGRESS.—Not later than 180 days after the date of enactment of this Act, the Secretary of State shall review extradition treaties and other agreements containing extradition

obligations to which the United States is a party (only with regard to those treaties where the United States has diplomatic relations with the treaty partner) and submit a report to the appropriate congressional committees regarding United States extradition policy and practice.

(b) CONTENTS OF REPORT.—The report under subsection (a) shall—

(1) discuss the factors that contribute to failure of foreign nations to comply fully with their obligations under bilateral extradition treaties with the United States;

(2) discuss the factors that contribute to nations becoming ''safe havens'' for individuals fleeing the United States justice system;

(3) identify those bilateral extradition treaties to which the United States is a party which do not require the extradition of nationals, and the reason such treaties contain such a provision;

(4) discuss appropriate legislative and diplomatic solutions to existing gaps in United States extradition treaties and practice; and

(5) discuss current priorities of the United States for negotiation of new extradition treaties and renegotiation of existing treaties, including resource factors relevant to such negotiations.

Subtitle B—Consular Authorities

SEC. 231. MACHINE READABLE VISAS.

Section 140(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (8 U.S.C. 1351 note) is amended—

(1) in paragraph (3) by amending the first sentence to read as follows: ''For each of the fiscal years 2000, 2001, and 2002, any amount collected under paragraph (1) that exceeds $316,715,000 for fiscal year 2000, $316,715,000 for fiscal year 2001, and $316,715,000 for fiscal year 2002 may be made available only if a notification is submitted to Congress in accordance with the procedures applicable to reprogramming notifications under section 34 of the State Department Basic Authorities Act of 1956.''; and

(2) by striking paragraphs (4) and (5).

SEC. 232. FEES RELATING TO AFFIDAVITS OF SUPPORT.

(a) AUTHORITY TO CHARGE FEE.—The Secretary of State may charge and retain a fee or surcharge for services provided by the Department of State to any sponsor who provides an affidavit of support under section 213A of the Immigration and Nationality Act (8 U.S.C. 1183a) to ensure that such affidavit is properly completed before it is forwarded to a consular post for adjudication by a consular officer in connection with the adjudication of an immigrant visa. Such fee or surcharge shall be in addition to and separate from any fee imposed for immigrant visa application processing and issuance, and shall recover only the costs of such services not recovered by such fee.

(b) LIMITATION.—Any fee established under subsection (a) shall be charged only once to a sponsor or joint sponsors who file essentially duplicative affidavits of support in connection with separate immigrant visa applications from the spouse and children of any petitioner required by the Immigration and Nationality Act to petition separately for such persons.

(c) TREATMENT OF FEES.—Fees collected under the authority of subsection (a) shall be deposited as an offsetting collection to any Department of State appropriation to recover the cost of providing consular services.

(d) COMPLIANCE WITH BUDGET ACT.—Fees collected under the authority of subsection (a) shall be available only to such extent or in such amounts as are provided in advance in an appropriation Act.

SEC. 233. PASSPORT FEES.

(a) APPLICATIONS.—Section 1 of the Passport Act of June 4, 1920 (22 U.S.C. 214), is amended—

(1) in the first sentence—

(A) by striking ''each passport issued'' and inserting ''the filing of each application for a passport (including the cost of passport issuance and use)''; and

(B) by striking ''each application for a passport;'' and inserting ''each such application''; and

(2) by adding after the first sentence the following new sentence: ''Such fees shall not be refundable, except as the Secretary may by regulation prescribe.''.

(b) REPEAL OF OUTDATED PROVISION ON PASSPORT FEES.—Section 4 of the Passport Act of June 4, 1920 (22 U.S.C. 216) is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of issuance of final regulations under section 1 of the Passport Act of June 4, 1920, as amended by subsection (a).

SEC. 234. DEATHS AND ESTATES OF UNITED STATES CITIZENS ABROAD.

(a) REPEAL.—Section 1709 of the Revised Statutes (22 U.S.C. 4195) is repealed.

(b) AMENDMENT TO STATE DEPARTMENT BASIC AUTHORITIES ACT.—The State Department Basic Authorities Act of 1956 is amended by inserting after section 43 (22 U.S.C. 2715) the following new sections:

''SEC. 43A. NOTIFICATION OF NEXT OF KIN; REPORTS OF DEATH.

''(a) IN GENERAL.—Whenever a United States citizen or national dies abroad, a consular officer shall endeavor to notify, or assist the Secretary of State in notifying, the next of kin or legal guardian as soon as possible, except that, in the case of death of any Peace Corps volunteer (within the meaning of section 5(a) of the Peace Corps Act (22 U.S.C. 2504(a)), any member of the Armed Forces, any dependent of such a volunteer or member, or any Department of Defense employee, the consular officer shall assist the Peace Corps or the appropriate military authorities, as the case may be, in making such notifications.

''(b) REPORTS OF DEATH OR PRESUMPTIVE DEATH.—The consular officer may, for any United States citizen who dies abroad—

''(1) in the case of a finding of death by the appropriate local authorities, issue a report of death or of presumptive death; or

''(2) in the absence of a finding of death by the appropriate local authorities, issue a report of presumptive death.

''(c) IMPLEMENTING REGULATIONS.—The Secretary of State shall prescribe such regulations as may be necessary to carry out this section.

''SEC. 43B. CONSERVATION AND DISPOSITION OF ESTATES.

''(a) CONSERVATION OF ESTATES ABROAD.—

''(1) AUTHORITY TO ACT AS CONSERVATOR.—Whenever a United States citizen or national dies abroad, a consular officer shall act as the provisional conservator of the portion of the decedent's estate located abroad and, subject to paragraphs (3), (4), and (5), shall—

''(A) take possession of the personal effects of the decedent within his jurisdiction;

''(B) inventory and appraise the personal effects of the decedent, sign the inventory, and annex thereto a certificate as to the accuracy of the inventory and appraised value of each article;

''(C) when appropriate in the exercise of prudent administration, collect the debts due to the decedent in the officer's jurisdiction and pay from the estate the obligations owed by the decedent;

''(D) sell or dispose of, as appropriate, in the exercise of prudent administration, all perishable items of property;

''(E) sell, after reasonable public notice and notice to such next of kin as can be ascertained with reasonable diligence, such additional items of property as necessary to provide funds sufficient to pay the decedent's debts and property taxes in the country of death, funeral expenses, and other expenses incident to the disposition of the estate;

''(F) upon the expiration of the one-year period beginning on the date of death (or after such additional period as may be required for final settlement of the estate), if no claimant shall have appeared, after reasonable public notice and notice to such next of kin as can be ascertained with reasonable diligence, sell or dispose of the residue of the personal estate, except as provided in subparagraph (G), in the same manner as United States Government-owned foreign excess property;

''(G) transmit to the custody of the Secretary of State in Washington, D.C. the proceeds of any sales, together with all financial instruments (including bonds, shares of stock, and notes of indebtedness), jewelry, heirlooms, and other articles of obvious sentimental value, to be held in trust for the legal claimant; and

''(H) in the event that the decedent's estate includes an interest in real property located within the jurisdiction of the officer and such interest does not devolve by the applicable laws of intestate succession or otherwise, provide for title to the property to be conveyed to the Government of the United States unless the Secretary declines to accept such conveyance.

''(2) AUTHORITY TO ACT AS ADMINISTRATOR.—Subject to paragraphs (3) and (4), a consular officer may act as administrator of an estate in exceptional circumstances if expressly authorized to do so by the Secretary of State.

''(3) EXCEPTIONS.—The responsibilities described in paragraphs (1) and (2) may not be performed to the extent that the decedent has left or there is otherwise appointed, in the country where the death occurred or where the decedent was domiciled, a legal representative, partner in trade, or trustee appointed to take care of his personal estate. If the decedent's legal representative shall appear at any time prior to transmission of the estate to the Secretary and demand the proceeds and effects being held by the consular officer, the officer shall deliver them to the representative after having collected any prescribed fee for the services performed under this section.

''(4) ADDITIONAL REQUIREMENT.—In addition to being subject to the limitations in paragraph (3), the responsibilities described in paragraphs (1) and (2) may not be performed unless—

''(A) authorized by treaty provisions or permitted by the laws or authorities of the country wherein the death occurs, or the decedent is domiciled; or

''(B) permitted by established usage in that country.

''(5) STATUTORY CONSTRUCTION.—Nothing in this section supersedes or otherwise affects the authority of any military commander under title 10 of the United States Code with respect to the person or property of any decedent who died while under a military command or jurisdiction or the authority of the Peace Corps with respect to a Peace Corps volunteer or the volunteer's property.

''(b) DISPOSITION OF ESTATES BY THE SECRETARY OF STATE.—

''(1) PERSONAL ESTATES.—

''(A) IN GENERAL.—After receipt of a personal estate pursuant to subsection (a), the Secretary may seek payment of all outstanding debts to the estate as they become due, may receive any balances due on such estate, may endorse all checks, bills of exchange, promissory notes, and other instruments of indebtedness payable to the estate for the benefit thereof, and may take such other action as is reasonably necessary for the conservation of the estate.

''(B) DISPOSITION AS SURPLUS UNITED STATES PROPERTY.—If, upon the expiration of a period of 5 fiscal years beginning on October 1 after a consular officer takes possession of a personal estate under subsection (a), no legal claimant for such estate has appeared, title to the estate shall be conveyed to the United States, the property in the estate shall be under the custody of the Department of State, and the Secretary shall dispose of the estate in the same manner as surplus United States Government-owned property is disposed or by such means as may be appropriate in light of the nature and value of the property involved. The expenses of sales shall be paid from the estate, and any lawful claim received thereafter shall be payable to the extent

of the value of the net proceeds of the estate as a refund from the appropriate Treasury appropriations account.

''(C) TRANSFER OF PROCEEDS.—The net cash estate after disposition as provided in subparagraph (B) shall be transferred to the miscellaneous receipts account of the Treasury of the United States.

''(2) REAL PROPERTY.—

''(A) DESIGNATION AS EXCESS PROPERTY.—In the event that title to real property is conveyed to the Government of the United States pursuant to subsection (a)(1)(H) and is not required by the Department of State, such property shall be considered foreign excess property under title IV of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 511 et seq.).

''(B) TREATMENT AS GIFT.—In the event that the Department requires such property, the Secretary of State shall treat such property as if it were an unconditional gift accepted on behalf of the Department of State under section 25 of this Act and section 9(a)(3) of the Foreign Service Buildings Act of 1926.

''(c) LOSSES IN CONNECTION WITH THE CONSERVATION OF ESTATES.—

''(1) AUTHORITY TO COMPENSATE.—The Secretary is authorized to compensate the estate of any United States citizen who has died overseas for property—

''(A) the conservation of which has been undertaken under section 43 or subsection (a) of this section; and

''(B) that has been lost, stolen, or destroyed while in the custody of officers or employees of the Department of State.

''(2) LIABILITY.—

''(A) EXCLUSION OF PERSONAL LIABILITY AFTER PROVISION OF COMPENSATION.—Any such compensation shall be in lieu of personal liability of officers or employees of the Department of State.

''(B) LIABILITY TO THE DEPARTMENT.—An officer or employee of the Department of State may be liable to the Department of State to the extent of any compensation provided under paragraph (1).

''(C) DETERMINATIONS OF LIABILITY.—The liability of any officer or employee of the Department of State to the Department for any payment made under subsection (a) shall be determined pursuant to the Department's procedures for determining accountability for United States Government property.

''(d) REGULATIONS.—The Secretary of State may prescribe such regulations as may be necessary to carry out this section.''.

(c) EFFECTIVE DATE.—The repeal and amendment made by this section shall take effect six months after the date of enactment of this Act.

SEC. 235. DUTIES OF CONSULAR OFFICERS REGARDING MAJOR DISASTERS AND INCIDENTS ABROAD AFFECTING UNITED STATES CITIZENS.

Section 43 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2715) is amended—

(1) by inserting ''(a) AUTHORITY.—'' before ''In'';

(2) by striking ''disposition of personal effects.'' in the last sentence and inserting ''disposition of personal estates pursuant to section 43B of this Act.''; and

(3) by adding at the end the following new subsection:

''(b) DEFINITIONS.—For purposes of this section and sections 43A and 43B, the term 'consular officer' includes any United States citizen employee of the Department of State who is designated by the Secretary of State to perform consular services pursuant to such regulations as the Secretary may prescribe.''.

SEC. 236. ISSUANCE OF PASSPORTS FOR CHILDREN UNDER AGE 14.

(a) IN GENERAL.—

(1) REGULATIONS.—Not later than 1 year after the date of the enactment of this Act, the Secretary of State shall issue regulations providing that before a child under the age of 14 years is issued a passport the requirements under paragraph (2) shall apply under penalty of perjury.

(2) REQUIREMENTS.—

(A) Both parents, or the child's legal guardian, must execute the application and provide documentary evidence demonstrating that they are the parents or guardian; or

(B) the person executing the application must provide documentary evidence that such person—

(i) has sole custody of the child;

(ii) has the consent of the other parent to the issuance of the passport; or

(iii) is in loco parentis and has the consent of both parents, of a parent with sole custody over the child, or of the child's legal guardian, to the issuance of the passport.

(b) EXCEPTIONS.—The regulations required by subsection (a) may provide for exceptions in exigent circumstances, such as those involving the health or welfare of the child, or when the Secretary determines that issuance of a passport is warranted by special family circumstances.

SEC. 237. PROCESSING OF VISA APPLICATIONS.

(a) POLICY.—It shall be the policy of the Department of State to process immigrant visa applications of immediate relatives of United States citizens and nonimmigrant K–1 visa applications of fiances of United States citizens within 30 days of the receipt of all necessary documents from the applicant and the Immigration and Naturalization Service. In the case of an immigrant visa application where the sponsor of such applicant is a relative other than an immediate relative, it should be the policy of the Department of State to process such an application within 60 days of the receipt of all necessary documents from the applicant and the Immigration and Naturalization Service.

(b) REPORTS.—Not later than 180 days after the date of enactment of this Act, and not later than 1 year thereafter, the Secretary of State shall submit to the appropriate congressional committees a report on the extent to which the Department of State is meeting the policy standards under subsection (a). Each report shall be based on a survey of the 22 consular posts which account for approximately 72 percent of immigrant visas issued and, in addition, the consular posts in Guatemala City, Nicosia, Caracas, Naples, and Jakarta. Each report should include data on the average time for processing each category of visa application under subsection (a), a list of the embassies and consular posts which do not meet the policy standards under subsection (a), the amount of funds collected worldwide for processing of visa applications during the most recent fiscal year, the estimated costs of processing such visa applications (based on the Department of State's most recent fee study), the steps being taken by the Department of State to achieve such policy standards, and results achieved by the interagency working group charged with the goal of reducing the overall processing time for visa applications.

SEC. 238. FEASIBILITY STUDY ON FURTHER PASSPORT RESTRICTIONS ON INDIVIDUALS IN ARREARS ON CHILD SUPPORT.

(a) REPORT TO CONGRESS.—Not later than 120 days after the date of the enactment of this Act, the Secretary of State, in consultation with the Secretary of Health and Human Services, shall submit a report to the appropriate congressional committees, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate on the feasibility of decreasing the amount of an individual's arrearages of child support that would require the Secretary of State to refuse to issue a passport to such individual, or otherwise act with respect to such an individual, as provided under section 452(k) of the Social Security Act (42 U.S.C. 652(k)).

(b) CONTENTS OF REPORT.—The report under subsection (a) shall include the following:

(1) The estimated cost to the Department of State of reducing the arrearage amount which would result in a refusal to issue a passport to $2,500 and, in addition, an amount between $5,000 and $2,500.

(2) A projection of the estimated benefits of reducing the amount to $2,500 (or an amount between $5,000 and $2,500), which shall include an estimate of the additional numbers of individuals who would be subject to denial, an estimate of the additional child support arrearages that would be received through such a reduction, and an estimate of the amount of child support that would be paid earlier than under current law (together with an estimate of how much earlier such amounts would be paid).

(3) Information regarding the number of individuals with child support arrearages over $2,500 and the average length of time it takes for individuals to reach $2,500 in arrearages.

(4) The methodology for the cost estimates and benefit projections described in paragraphs (1) and (2).

Subtitle C—Refugees

SEC. 251. UNITED STATES POLICY REGARDING THE INVOLUNTARY RETURN OF REFUGEES.

(a) IN GENERAL.—None of the funds made available by this Act or by section 2(c) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)) shall be available to effect the involuntary return by the United States of any person to a country in which the person has a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion, except on grounds recognized as precluding protection as a refugee under the United Nations Convention Relating to the Status of Refugees of July 28, 1951, and the Protocol Relating to the Status of Refugees of January 31, 1967, subject to the reservations contained in the United States Senate Resolution of Ratification.

(b) MIGRATION AND REFUGEE ASSISTANCE.—None of the funds made available by this Act or by section 2(c) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)) shall be available to effect the involuntary return of any person to any country unless the Secretary of State first notifies the appropriate congressional committees, except that in the case of an emergency involving a threat to human life the Secretary of State shall notify the appropriate congressional committees as soon as practicable.

(c) INVOLUNTARY RETURN DEFINED.—As used in this section, the term ''to effect the involuntary return'' means to require, by means of physical force or circumstances amounting to a threat thereof, a person to return to a country against the person's will, regardless of whether the person is physically present in the United States and regardless of whether the United States acts directly or through an agent.

SEC. 252. HUMAN RIGHTS REPORTS.

Section 502B(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2304(b)) is amended by inserting after the fourth sentence the following: ''Each report under this section shall describe the extent to which each country has extended protection to refugees, including the provision of first asylum and resettlement.''.

SEC. 253. GUIDELINES FOR REFUGEE PROCESSING POSTS.

(a) GUIDELINES FOR ADDRESSING HOSTILE BIASES.—Section 602(c)(1) of the International Religious Freedom Act of 1998 (Public Law 105–292; 112 Stat. 2812) is amended by inserting ''and of the Department of State'' after ''Service''.

(b) GUIDELINES FOR OVERSEAS REFUGEE PROCESSING.—Section 602(c) of such Act is further amended by adding at the end the following new paragraph:

''(3) Not later than 120 days after the date of the enactment of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001, the Secretary of State (after consultation with the Attorney General) shall issue guidelines to ensure that persons with potential biases against any

refugee applicant, including persons employed by, or otherwise subject to influence by, governments known to be involved in persecution on account of religion, race, nationality, membership in a particular social group, or political opinion, shall not in any way be used in processing determinations of refugee status, including interpretation of conversations or examination of documents presented by such applicants.''.

SEC. 254. GENDER-RELATED PERSECUTION TASK FORCE.

(a) ESTABLISHMENT OF TASK FORCE.—The Secretary of State, in consultation with the Attorney General and other appropriate Federal agencies, shall establish a task force with the goal of determining eligibility guidelines for women seeking refugee status overseas due to gender-related persecution.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary of State shall prepare and submit to the Congress a report outlining the guidelines determined by the task force under subsection (a).

SEC. 255. ELIGIBILITY FOR REFUGEE STATUS.

(a) ELIGIBILITY FOR IN-COUNTRY REFUGEE PROCESSING IN VIETNAM.—For purposes of eligibility for in-country refugee processing for nationals of Vietnam during fiscal years 2000 and 2001, an alien described in subsection (b) or (d) shall be considered to be a refugee of special humanitarian concern to the United States (within the meaning of section 207 of the Immigration and Nationality Act (8 USC 1157)) and shall be admitted to the United States for resettlement if the alien would be admissible as an immigrant under the Immigration and Nationality Act (except as provided in section 207(c)(3) of that Act).

(b) ALIENS COVERED.—An alien described in this subsection is an alien who—

(1) is the son or daughter of a qualified national;

(2) is 21 years of age or older; and

(3) was unmarried as of the date of acceptance of the alien's parent for resettlement under the Orderly Departure Program or through the United States Consulate General in Ho Chi Minh City.

(c) QUALIFIED NATIONAL.—The term ''qualified national'' in subsection (b)(1) means a national of Vietnam who—

(1)(A) was formerly interned in a re-education camp in Vietnam by the Government of the Socialist Republic of Vietnam; or

(B) is the widow or widower of an individual described in subparagraph (A);

(2)(A) qualified for refugee processing under the Orderly Departure Program re-education subprogram; and

(B) except as provided in subsection (d), on or after April 1, 1995, is or has been accepted under the Orderly Departure Program or through the United States Consulate General in Ho Chi Minh City—

(i) for resettlement as a refugee; or

(ii) for admission to the United States as an immediate relative immigrant; and

(3)(A) is presently maintaining a residence in the United States; or

(B) was approved for refugee resettlement or immigrant visa processing and is awaiting departure formalities from Vietnam.

(d) PREVIOUS DENIALS BASED ON LACK OF CO-RESIDENCY.—An alien who is otherwise qualified under subsection (b) is eligible for admission for resettlement regardless of the date of acceptance of the alien's parent if the alien previously was denied refugee resettlement based solely on the fact that the alien was not listed continuously on the parent's residence permit.

TITLE III—ORGANIZATION AND PERSONNEL OF THE DEPARTMENT OF STATE

Subtitle A—Organization Matters

SEC. 301. LEGISLATIVE LIAISON OFFICES OF THE DEPARTMENT OF STATE.

(a) DEVELOPMENT OF ASSESSMENT.—The Secretary of State shall assess the administrative and personnel requirements for the establishment of legislative liaison offices for the Department of State within the office buildings of the House of Representatives and the Senate. In undertaking the assessment, the Secretary should examine existing liaison offices of other executive departments that are located in the congressional office buildings, including the liaison offices of the military services.

(b) ASSESSMENT CONSIDERATIONS.—The assessment required by subsection (a) shall consider—

(1) space requirements;

(2) cost implications;

(3) personnel structure; and

(4) the feasibility of modifying the Pearson Fellowship program in order to have members of the Foreign Service who serve in such fellowships serve a second year in a legislative liaison office.

(c) TRANSMITTAL OF ASSESSMENT.—Not later than 6 months after the date of the enactment of this Act, the Secretary of State shall submit to the Committee on International Relations and the Committee on House Administration of the House of Representatives and the Committee on Foreign Relations and the Committee on Rules and Administration of the Senate the assessment developed under subsection (a).

SEC. 302. STATE DEPARTMENT OFFICIAL FOR NORTHEASTERN EUROPE.

The Secretary of State shall designate a senior-level official of the Department of State with responsibility for promoting regional cooperation in and coordinating United States policy toward Northeastern Europe.

SEC. 303. SCIENCE AND TECHNOLOGY ADVISER TO SECRETARY OF STATE.

(a) DESIGNATION.—The Secretary of State shall designate a senior-level official of the Department of State as the Science and Technology Adviser to the Secretary of State (in this section referred to as the ''Adviser''). The Adviser shall have substantial experience in the area of science and technology. The Adviser shall report to the Secretary of State through the appropriate Under Secretary of State.

(b) DUTIES.—The Adviser shall—

(1) advise the Secretary of State, through the appropriate Under Secretary of State, on international science and technology matters affecting the foreign policy of the United States; and

(2) perform such duties, exercise such powers, and have such rank and status as the Secretary of State shall prescribe.

SEC. 304. APPLICATION OF CERTAIN LAWS TO PUBLIC DIPLOMACY FUNDS.

Section 1333(c) of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted in division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105–277) is amended—

(1) after ''diplomacy programs'' by inserting '', identified as public diplomacy funds in any Congressional Presentation Document described in subsection (e), or reprogrammed for public diplomacy purposes,'';

(2) by striking ''Except'' and inserting ''(1) Except''; and

(3) by adding at the end the following new paragraph:

''(2) CONSTRUCTION.—Nothing in paragraph (1) may be construed (A) to interfere with the integration of administrative resources between public diplomacy and other functions of the Department of State or to prevent the occasional performance of functions other than public diplomacy by officials or employees of the Department of State who are primarily assigned to public diplomacy, provided there is no substantial resulting diminution in the amount of resources devoted to public diplomacy below the amounts described in paragraph (1), or (B) to supersede reprogramming procedures.''.

SEC. 305. REFORM OF THE DIPLOMATIC TELECOMMUNICATIONS SERVICE PROGRAM OFFICE.

(a) ADDITIONAL RESOURCES.—In addition to other amounts authorized to be appropriated for the purposes of the Diplomatic Telecommunications Service Program Office (DTS–PO), of the amounts made available to the Department of State under section 101(2), $18,000,000 shall be made available only to the DTS–PO for enhancement of Diplomatic Telecommunications Service capabilities.

(b) IMPROVEMENT OF DTS–PO.—In order for the DTS–PO to better manage a fully integrated telecommunications network to service all agencies at diplomatic missions and consular posts, the DTS–PO shall—

(1) ensure that those enhancements of, and the provision of service for, telecommunication capabilities that involve the national security interests of the United States receive the highest prioritization;

(2) not later than December 31, 1999, terminate all leases for satellite systems located at posts in criteria countries, unless all maintenance and servicing of the satellite system is undertaken by United States citizens who have received appropriate security clearances;

(3) institute a system of charges for utilization of bandwidth by each agency beginning October 1, 2000, and institute a comprehensive chargeback system to recover all, or substantially all, of the other costs of telecommunications services provided through the Diplomatic Telecommunications Service to each agency beginning October 1, 2001;

(4) ensure that all DTS–PO policies and procedures comply with applicable policies established by the Overseas Security Policy Board; and

(5) maintain the allocation of the positions of Director and Deputy Director of DTS–PO as those positions were assigned as of June 1, 1999, which assignments shall pertain through fiscal year 2001, at which time such assignments shall be adjusted in the customary manner.

(c) REPORT ON IMPROVING MANAGEMENT.—Not later than March 31, 2000, the Director and Deputy Director of DTS–PO shall jointly submit to the Committee on International Relations and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate the Director's plan for improving network architecture, engineering, operations monitoring and control, service metrics reporting, and service provisioning, so as to achieve highly secure, reliable, and robust communications capabilities that meet the needs of both national security agencies and other United States agencies with overseas personnel.

(d) FUNDING OF DTS–PO.—Funds appropriated for allocation to DTS–PO shall be made available only for DTS–PO until a comprehensive chargeback system is in place.

(e) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means the Committee on International Relations and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate.

Subtitle B—Personnel of the Department of State

SEC. 321. AWARD OF FOREIGN SERVICE STAR.

The State Department Basic Authorities Act of 1956 is amended by inserting after section 36 (22 U.S.C. 2708) the following new section:

''SEC. 36A. AWARD OF FOREIGN SERVICE STAR.

''(a) AUTHORITY TO AWARD.—The President, upon the recommendation of the Secretary, may award a Foreign Service star to any member of the Foreign Service or any other civilian employee of the Government of the United States who, while employed at, or assigned permanently or temporarily to, an official mission overseas or while traveling abroad on official business, incurred a wound or other injury or an illness (whether or not the wound, other injury, or illness resulted in death)—

''(1) as the person was performing official duties;

''(2) as the person was on the premises of a United States mission abroad; or

''(3) by reason of the person's status as a United States Government employee.

''(b) SELECTION CRITERIA.—The Secretary shall prescribe the procedures for identifying and considering persons eligible for award of a Foreign Service star and for selecting the persons to be recommended for the award.

''(c) AWARD IN THE EVENT OF DEATH.—If a person selected for award of a Foreign Service star dies before being presented the award, the award may be made and the star presented to the person's family or to the person's representative, as designated by the President.

''(d) FORM OF AWARD.—The Secretary shall prescribe the design of the Foreign Service star. The award may not include a stipend or any other cash payment.

''(e) FUNDING.—Any expenses incurred in awarding a person a Foreign Service star may be paid out of appropriations available at the time of the award for personnel of the department or agency of the United States Government in which the person was employed when the person incurred the wound, injury, or illness upon which the award is based.''.

SEC. 322. UNITED STATES CITIZENS HIRED ABROAD.

Section 408(a)(1) of the Foreign Service Act of 1980 (22 U.S.C. 3968(a)(1)) is amended in the last sentence—

(1) by striking ''(A)'' and all that follows through ''(B)''; and

(2) by striking ''this total compensation package'' and inserting ''the total compensation package''.

SEC. 323. LIMITATION ON PERCENTAGE OF SENIOR FOREIGN SERVICE ELIGIBLE FOR PERFORMANCE PAY.

Section 405(b)(1) of the Foreign Service Act of 1980 (22 U.S.C. 3965(b)(1)) is amended by striking ''50'' and inserting ''33''.

SEC. 324. PLACEMENT OF SENIOR FOREIGN SERVICE PERSONNEL.

The Director General of the Foreign Service shall submit a report on the first day of each fiscal quarter to the appropriate congressional committees containing the following:

(1) The number of members of the Senior Foreign Service.

(2) The number of vacant positions designated for members of the Senior Foreign Service.

(3) The number of members of the Senior Foreign Service who are not assigned to positions.

SEC. 325. REPORT ON MANAGEMENT TRAINING.

Not later than April 1, 2000, the Department of State shall report to the appropriate congressional committees on the feasibility of modifying current training programs and curricula so that the Department can provide significant and comprehensive management training at all career grades for Foreign Service personnel.

SEC. 326. WORKFORCE PLANNING FOR FOREIGN SERVICE PERSONNEL BY FEDERAL AGENCIES.

Section 601(c) of the Foreign Service Act of 1980 (22 U.S.C. 4001(c)) is amended by striking paragraph (4) and inserting the following:

''(4) Not later than March 1, 2001, and every four years thereafter, the Secretary of State shall submit a report to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate which shall include the following:

''(A) A description of the steps taken and planned in furtherance of—

''(i) maximum compatibility among agencies utilizing the Foreign Service personnel system, as provided for in section 203, and

''(ii) the development of uniform policies and procedures and consolidated personnel functions, as provided for in section 204.

''(B) A workforce plan for the subsequent five years, including projected personnel needs, by grade and by skill. Each such plan shall include for each category the needs for foreign language proficiency, geographic and functional expertise, and specialist technical skills. Each workforce plan shall specifically account for the training needs of Foreign Service personnel and shall delineate an intake program of generalist and specialist Foreign Service personnel to meet projected future requirements.

''(5) If there are substantial modifications to any workforce plan under paragraph (4)(B) during any year in which a report under paragraph (4) is not required, a supplemental annual notification shall be submitted in the same manner as reports are required to be submitted under paragraph (4).''.

SEC. 327. RECORDS OF DISCIPLINARY ACTIONS.

(a) IN GENERAL.—Section 604 of the Foreign Service Act of 1980 (22 U.S.C. 4004) is amended—

(1) by striking ''CONFIDENTIALITY OF RECORDS.—'' and inserting ''RECORDS.—(a)''; and

(2) by adding at the end the following new subsection:

''(b) Notwithstanding subsection (a), any record of disciplinary action that includes a suspension of more than five days taken against a member of the Service, including any correction of that record under section 1107(b)(1), shall remain a part of the personnel records until the member is tenured as a career member of the Service or next promoted.''.

(b) EFFECTIVE DATE.—The amendments made by this section apply to all disciplinary actions initiated on or after the date of enactment of this Act.

SEC. 328. LIMITATION ON SALARY AND BENEFITS FOR MEMBERS OF THE FOREIGN SERVICE RECOMMENDED FOR SEPARATION FOR CAUSE.

Section 610(a) of the Foreign Service Act (22 U.S.C. 4010(a)) is amended by adding at the end the following new paragraph:

''(6) Notwithstanding the hearing required by paragraph (2), at the time the Secretary recommends that a member of the Service be separated for cause, that member shall be placed on leave without pay pending final resolution of the underlying matter, subject to reinstatement with back pay if cause for separation is not established in a hearing before the Board.''.

SEC. 329. TREATMENT OF GRIEVANCE RECORDS.

Section 1103(d)(1) of the Foreign Service Act of 1980 (22 U.S.C. 4133(d)(1)) is amended by adding the following new sentence at the end: ''Nothing in this subsection shall prevent a grievant from placing a rebuttal to accompany a record of disciplinary action in such grievant's personnel records nor prevent the Department from including a response to such rebuttal, including documenting those cases in which the Board has reviewed and upheld the discipline.''.

SEC. 330. DEADLINES FOR FILING GRIEVANCES.

(a) IN GENERAL.—Section 1104(a) of the Foreign Service Act of 1980 (22 U.S.C. 4134(a)) is amended in the first sentence by striking ''within a period of 3 years'' and all that follows through the period and inserting ''not later than two years after the occurrence giving rise to the grievance or, in the case of a grievance with respect to the grievant's rater or reviewer, one year after the date on which the grievant ceased to be subject to rating or review by that person, but in no case less than two years after the occurrence giving rise to the grievance.''.

(b) GRIEVANCES ALLEGING DISCRIMINATION.—Section 1104 of that Act (22 U.S.C. 4134) is amended in subsection (c) by striking ''3 years'' and inserting ''2 years''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 180 days after the date of enactment of this Act and shall apply to grievances which arise on or after such effective date.

SEC. 331. REPORTS BY THE FOREIGN SERVICE GRIEVANCE BOARD.

Section 1105 of the Foreign Service Act of 1980 (22 U.S.C. 4135) is amended by adding at the end the following new subsection:

''(f)(1) Not later than March 1 of each year, the Chairman of the Foreign Service Grievance Board shall prepare a report summarizing the activities of the Board during the previous calendar year. The report shall include—

''(A) the number of cases filed;

''(B) the types of cases filed;

''(C) the number of cases on which a final decision was reached, as well as data on the outcome of cases, whether affirmed, reversed, settled, withdrawn, or dismissed;

''(D) the number of oral hearings conducted and the length of each such hearing;

''(E) the number of instances in which interim relief was granted by the Board; and

''(F) data on the average time for consideration of a grievance, from the time of filing to a decision of the Board.

''(2) The report required under paragraph (1) shall be submitted to the Director General of the Foreign Service and the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.''.

SEC. 332. EXTENSION OF USE OF FOREIGN SERVICE PERSONNEL SYSTEM.

Section 202(a) of the Foreign Service Act of 1980 (22 U.S.C. 3922(a)) is amended by adding at the end the following new paragraph:

''(4)(A) Whenever (and to the extent) the Secretary of State considers it in the best interests of the United States Government, the Secretary of State may authorize the head of any agency or other Government establishment (including any establishment in the legislative or judicial branch) to appoint under section 303 individuals described in subparagraph (B) as members of the Service and to utilize the Foreign Service personnel system with respect to such individuals under such regulations as the Secretary of State may prescribe.

''(B) The individuals referred to in subparagraph (A) are individuals eligible for employment abroad under section 311(a).''.

SEC. 333. BORDER EQUALIZATION PAY ADJUSTMENT.

(a) IN GENERAL.—Chapter 4 of title I of the Foreign Service Act of 1980 (22 U.S.C. 3961 et seq.) is amended by adding at the end the following new section:

''SEC. 414. BORDER EQUALIZATION PAY ADJUSTMENT.

''(a) IN GENERAL.—An employee who regularly commutes from the employee's place of residence in the continental United States to an official duty station in Canada or Mexico shall receive a border equalization pay adjustment equal to the amount of comparability payments under section 5304 of title 5, United States Code, that the employee would receive if the employee were assigned to an official duty station within the United States locality pay area closest to the employee's official duty station.

''(b) EMPLOYEE DEFINED.—For purposes of this section, the term 'employee' means a person who—

''(1) is an 'employee' as defined under section 2105 of title 5, United States Code; and

''(2) is employed by the Department of State, the United States Agency for International Development, or the International Joint Commission of the United States and Canada (established under Article VII of the treaty signed January 11, 1909) (36 Stat. 2448), except that the term shall not include members of the Service (as specified in section 103).

''(c) TREATMENT AS BASIC PAY.—An equalization pay adjustment paid under this section shall be considered to be part of basic pay for the same purposes for which comparability payments are considered to be part of basic pay under section 5304 of title 5, United States Code.

''(d) REGULATIONS.—The heads of the agencies referred to in subsection (b)(2) may prescribe regulations to carry out this section.''.

(b) CONFORMING AMENDMENT.—The table of contents for the Foreign Service Act of 1980 is

amended by inserting after the item relating to section 413 the following new item:

''Sec. 414. Border equalization pay adjustment.''.

SEC. 334. TREATMENT OF CERTAIN PERSONS REEMPLOYED AFTER SERVICE WITH INTERNATIONAL ORGANIZATIONS.

(a) IN GENERAL.—Title 5 of the United States Code is amended by inserting after section 8432b the following new section:

''§ 8432c. Contributions of certain persons reemployed after service with international organizations

''(a) In this section, the term 'covered person' means any person who—

''(1) transfers from a position of employment covered by chapter 83 or 84 or subchapter I or II of chapter 8 of the Foreign Service Act of 1980 to a position of employment with an international organization pursuant to section 3582;

''(2) pursuant to section 3582 elects to retain coverage, rights, and benefits under any system established by law for the retirement of persons during the period of employment with the international organization and currently deposits the necessary deductions in payment for such coverage, rights, and benefits in the system's fund; and

''(3) is reemployed pursuant to section 3582(b) to a position covered by chapter 83 or 84 or subchapter I or II of chapter 8 of the Foreign Service Act of 1980 after separation from the international organization.

''(b)(1) Each covered person may contribute to the Thrift Savings Fund, in accordance with this subsection, an amount not to exceed the amount described in paragraph (2).

''(2) The maximum amount which a covered person may contribute under paragraph (1) is equal to—

''(A) the total amount of all contributions under section 8351(b)(2) or 8432(a), as applicable, which the person would have made over the period beginning on the date of transfer of the person (as described in subsection (a)(1)) and ending on the day before the date of reemployment of the person (as described in subsection (a)(3)), minus

''(B) the total amount of all contributions, if any, under section 8351(b)(2) or 8432(a), as applicable, actually made by the person over the period described in subparagraph (A).

''(3) Contributions under paragraph (1)—

''(A) shall be made at the same time and in the same manner as would any contributions under section 8351(b)(2) or 8432(a), as applicable;

''(B) shall be made over the period of time specified by the person under paragraph (4)(B); and

''(C) shall be in addition to any contributions actually being made by the person during that period under section 8351(b)(2) or 8432(a), as applicable.

''(4) The Executive Director shall prescribe the time, form, and manner in which a covered person may specify—

''(A) the total amount the person wishes to contribute with respect to any period described in paragraph (2)(A); and

''(B) the period of time over which the covered person wishes to make contributions under this subsection.

''(c) If a covered person who makes contributions under section 8432(a) makes contributions under subsection (b), the agency employing the person shall make those contributions to the Thrift Savings Fund on the person's behalf in the same manner as contributions are made for an employee described in section 8432b(a) under sections 8432b(c), 8432b(d), and 8432b(f). Amounts paid under this subsection shall be paid in the same manner as amounts are paid under section 8432b(g).

''(d) For purposes of any computation under this section, a covered person shall, with respect to the period described in subsection (b)(2)(A), be considered to have been paid at the rate which would have been payable over such period had the person remained continuously employed in the position that the person last held before transferring to the international organization.

''(e) For purposes of section 8432(g), a covered person shall be credited with a period of civilian service equal to the period beginning on the date of transfer of the person (as described in subsection (a)(1)) and ending on the day before the date of reemployment of the person (as described in subsection (a)(3)).

''(f) The Executive Director shall prescribe regulations to carry out this section.''.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 84 of title 5, United States Code, is amended by inserting after the item relating to section 8432b the following:

''8432c. Contributions of certain persons reemployed after service with international organizations.''.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to persons reemployed on or after the date of enactment of this Act.

SEC. 335. TRANSFER ALLOWANCE FOR FAMILIES OF DECEASED FOREIGN SERVICE PERSONNEL.

Section 5922 of title 5, United States Code, is amended by adding at the end the following:

''(f)(1) If an employee dies at post in a foreign area, a transfer allowance under section 5924(2)(B) may be granted to the spouse or dependents of such employee (or both) for the purpose of providing for their return to the United States.

''(2) A transfer allowance under this subsection may not be granted with respect to the spouse or a dependent of the employee unless, at the time of death, such spouse or dependent was residing—

''(A) at the employee's post of assignment; or

''(B) at a place, outside the United States, for which a separate maintenance allowance was being furnished under section 5924(3).

''(3) The President may prescribe any regulations necessary to carry out this subsection.''.

SEC. 336. PARENTAL CHOICE IN EDUCATION.

Section 5924(4) of title 5, United States Code, is amended—

(1) in subparagraph (A), by striking ''between that post and the nearest locality where adequate schools are available,'' and inserting ''between that post and the school chosen by the employee, not to exceed the total cost to the Government of the dependent attending an adequate school in the nearest locality where an adequate school is available,''; and

(2) by adding at the end the following new subparagraph:

''(C) In those cases in which an adequate school is available at the post of the employee, if the employee chooses to educate the dependent at a school away from post, the education allowance which includes board and room, and periodic travel between the post and the school chosen, shall not exceed the total cost to the Government of the dependent attending an adequate school at the post of the employee.''.

SEC. 337. MEDICAL EMERGENCY ASSISTANCE.

Section 5927 of title 5, United States Code, is amended to read as follows:

''§ 5927. Advances of pay

''(a) Up to three months' pay may be paid in advance—

''(1) to an employee upon the assignment of the employee to a post in a foreign area;

''(2) to an employee, other than an employee appointed under section 303 of the Foreign Service Act of 1980 (and employed under section 311 of such Act), who—

''(A) is a citizen of the United States;

''(B) is officially stationed or located outside the United States pursuant to Government authorization; and

''(C) requires (or has a family member who requires) medical treatment outside the United States, in circumstances specified by the President in regulations; and

''(3) to a foreign national employee appointed under section 303 of the Foreign Service Act of 1980, or a nonfamily member United States citizen appointed under such section 303 (and employed under section 311 of such Act) for service at such nonfamily member's post of residence, who—

''(A) is located outside the country of employment of such foreign national employee or nonfamily member (as the case may be) pursuant to Government authorization; and

''(B) requires medical treatment outside the country of employment of such foreign national employee or nonfamily member (as the case may be), in circumstances specified by the President in regulations.

''(b) For the purpose of this section, the term 'country of employment', as used with respect to an individual under subsection (a)(3), means the country (or other area) outside the United States where such individual is appointed (as described in subsection (a)(3)) by the Government.''.

SEC. 338. REPORT CONCERNING FINANCIAL DISADVANTAGES FOR ADMINISTRATIVE AND TECHNICAL PERSONNEL.

(a) FINDINGS.—Congress finds that administrative and technical personnel posted to United States missions abroad who do not have diplomatic status suffer financial disadvantages from their lack of such status.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary of State should submit a report to the appropriate congressional committees concerning the extent to which administrative and technical personnel posted to United States missions abroad who do not have diplomatic status suffer financial disadvantages from their lack of such status, including proposals to alleviate such disadvantages.

SEC. 339. STATE DEPARTMENT INSPECTOR GENERAL AND PERSONNEL INVESTIGATIONS.

(a) AMENDMENT OF THE FOREIGN SERVICE ACT of 1980.—Section 209(c) of the Foreign Service Act of 1980 (22 U.S.C. 3929(c)) is amended by adding at the end the following:

''(5) INVESTIGATIONS.—

''(A) CONDUCT OF INVESTIGATIONS.—In conducting investigations of potential violations of Federal criminal law or Federal regulations, the Inspector General shall—

''(i) abide by professional standards applicable to Federal law enforcement agencies; and

''(ii) make every reasonable effort to permit each subject of an investigation an opportunity to provide exculpatory information.

''(B) FINAL REPORTS OF INVESTIGATIONS.—In order to ensure that final reports of investigations are thorough and accurate, the Inspector General shall—

''(i) make every reasonable effort to ensure that any person named in a final report of investigation has been afforded an opportunity to refute any allegation of wrongdoing or assertion with respect to a material fact made regarding that person's actions;

''(ii) include in every final report of investigation any exculpatory information, as well as any inculpatory information, that has been discovered in the course of the investigation.''.

(b) ANNUAL REPORT.—Section 209(d)(2) of the Foreign Service Act of 1980 (22 U.S.C. 3929(d)(2)) is amended—

(1) by striking ''and'' at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting ''; and''; and

(3) by inserting after subparagraph (E) the following new subparagraph:

''(F) a notification, which may be included, if necessary, in the classified portion of the report, of any instance in a case that was closed during

the period covered by the report when the Inspector General decided not to afford an individual the opportunity described in subsection (c)(5)(B)(i) to refute any allegation and the rationale for denying such individual that opportunity.''.

(c) STATUTORY CONSTRUCTION.—Nothing in the amendments made by this section may be construed to modify—

(1) section 209(d)(4) of the Foreign Service Act of 1980 (22 U.S.C. 3929(d)(4));

(2) section 7(b) of the Inspector General Act of 1978 (5 U.S.C. app.);

(3) the Privacy Act of 1974 (5 U.S.C. 552a);

(4) the provisions of section 2302(b)(8) of title 5 (relating to whistleblower protection);

(5) rule 6(e) of the Federal Rules of Criminal Procedure (relating to the protection of grand jury information); or

(6) any statute or executive order pertaining to the protection of classified information.

(d) NO GRIEVANCE OR RIGHT OF ACTION.—A failure to comply with the amendments made by this section shall not give rise to any private right of action in any court or to an administrative complaint or grievance under any law.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to cases opened on or after the date of the enactment of this Act.

SEC. 340. STUDY OF COMPENSATION FOR SURVIVORS OF TERRORIST ATTACKS OVERSEAS.

Not later than 180 days after the date of enactment of this Act, the President shall submit a report to the appropriate congressional committees on the benefits and compensation paid to the survivors and personal representatives of the United States Government employees (including those in the uniformed services and Foreign Service National employees) killed in the performance of duty abroad as result of terrorist acts. All appropriate United States Government agencies shall contribute to the preparation of the report. The report shall include a comparison of benefits available to military and civilian employees and should include any recommendations for additional or other types of benefits or compensation.

SEC. 341. PRESERVATION OF DIVERSITY IN REORGANIZATION.

Section 1613(c) of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted by division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105–277) is amended by inserting after the first sentence the following: ''In carrying out the reorganization under this Act, the Secretary shall ensure that the advances made in increasing the number and status of women and minorities within the foreign affairs agencies of the Federal Government, in terms of representation within the agencies as well as relative rank, are not undermined by discrimination within the newly reorganized Department of State.''.

TITLE IV—UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS

Subtitle A—Authorities and Activities

SEC. 401. EDUCATIONAL AND CULTURAL EXCHANGES AND SCHOLARSHIPS FOR TIBETANS AND BURMESE.

(a) DESIGNATION OF NGAWANG CHOEPHEL EXCHANGE PROGRAMS.—Section 103(a) of the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996 (Public Law 104–319) is amended by inserting after the first sentence the following: ''Exchange programs under this subsection shall be known as the 'Ngawang Choephel Exchange Programs'.''.

(b) SCHOLARSHIPS FOR TIBETANS AND BURMESE.—Section 103(b)(1) of the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996 (Public Law 104–319; 22 U.S.C. 2151 note) is amended by striking ''for the fiscal year 1999'' and inserting ''for the fiscal year 2000''.

(c) SCHOLARSHIPS FOR PRESERVATION OF TIBET'S CULTURE, LANGUAGE, AND RELIGION.—Section 103(b)(1) of the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996 (Public Law 104–319; 22 U.S.C. 2151 note) is further amended by striking ''Tibet,'' and inserting ''Tibet (whenever practical giving consideration to individuals who are active in the preservation of Tibet's culture, language, and religion),''.

SEC. 402. CONDUCT OF CERTAIN EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.

Section 102 of the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996 (Public Law 104–319; 22 U.S.C. 2452 note) is amended to read as follows:

''SEC. 102. CONDUCT OF CERTAIN EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.

''(a) IN GENERAL.—In carrying out programs of educational and cultural exchange in countries whose people do not fully enjoy freedom and democracy, the Secretary of State, with the assistance of the Under Secretary of State for Public Diplomacy, shall provide, where appropriate, opportunities for significant participation in such programs to nationals of such countries who are—

''(1) human rights or democracy leaders of such countries; or

''(2) committed to advancing human rights and democratic values in such countries.

''(b) GRANTEE ORGANIZATIONS.—To the extent practicable, grantee organizations selected to operate programs described in subsection (a) shall be selected through an open competitive process. Among the factors that should be considered in the selection of such a grantee are the willingness and ability of the organization to—

''(1) recruit a broad range of participants, including those described in paragraphs (1) and (2) of subsection (a); and

''(2) ensure that the governments of the countries described in subsection (a) do not have inappropriate influence in the selection process.''.

SEC. 403. NATIONAL SECURITY MEASURES.

The United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1431 et seq.) is amended by adding after section 1011 the following new section:

''SEC. 1012. NATIONAL SECURITY MEASURES.

''(a) RESTRICTION.—In coordination with other appropriate executive branch officials, the Secretary of State shall take all appropriate steps to—

''(1) prevent any agent of a foreign power from participating in educational and cultural exchange programs under this Act;

''(2) ensure that no person who is involved in the research, development, design, testing, evaluation, or production of missiles or weapons of mass destruction is a participant in any program of educational or cultural exchange under this Act if such person is employed by, or attached to, an entity within a country that has been identified by any element of the United States intelligence community (as defined by section 3(4) of the National Security Act of 1947) within the previous 5 years as having been involved in the proliferation of missiles or weapons of mass destruction; and

''(3) ensure that no person who is involved in the research, development, design, testing, evaluation, or production of chemical or biological weapons for offensive purposes is a participant in any program of educational or cultural exchange under this Act.

''(b) DEFINITIONS.—

''(1) The term 'appropriate executive branch officials' means officials from the elements of the United States Government listed pursuant to section 101 of the Intelligence Authorization Act for Fiscal Year 1999 (Public Law 105–272).

''(2) The term 'agent of a foreign power' has the same meaning as set forth in section 101(b)(1)(B) and (b)(2) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801), and does not include any person who acts in the capacity defined under section 101(b)(1)(A) of such Act.

SEC. 404. SUNSET OF UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY.

(a) RESTORATION OF ADVISORY COMMISSION.—Section 1334 of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted in division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105–277) is amended to read as follows:

''SEC. 1334. SUNSET OF UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY.

''The United States Advisory Commission on Public Diplomacy, established under section 604 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1469) and section 8 of Reorganization Plan Numbered 2 of 1977, shall continue to exist and operate under such provisions of law until October 1, 2001.''.

(b) RETROACTIVITY OF EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the enactment of the Foreign Affairs Reform and Restructuring Act of 1998.

(c) REENACTMENT AND REPEAL OF CERTAIN PROVISIONS OF LAW.—

(1) REENACTMENT.—The provisions of law repealed by section 1334 of the Foreign Affairs Reform and Restructuring Act of 1998, as in effect before the date of the enactment of this Act, are hereby reenacted into law.

(2) REPEAL.—Effective September 30, 2001, section 604 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1469) and section 8 of the Reorganization Plan Numbered 2 of 1977 are repealed.

(d) CONTINUITY OF ADVISORY COMMISSION.—Notwithstanding any other provision of law, any period of discontinuity of the United States Advisory Commission on Public Diplomacy shall not affect the appointment or terms of service of members of the commission.

(e) REDUCTION IN STAFF AND BUDGET.—Notwithstanding section 604(b) of the United States Information and Educational Exchange Act of 1948, effective on the date of the enactment of this Act, the United States Advisory Commission on Public Diplomacy shall have not more than 2 individuals who are compensated staff, and not more than 50 percent of the resources allocated in fiscal year 1999.

SEC. 405. ROYAL ULSTER CONSTABULARY TRAINING.

(a) TRAINING FOR THE ROYAL ULSTER CONSTABULARY.—No funds authorized to be appropriated by this or any other Act may be used to support any training or exchange program conducted by the Federal Bureau of Investigation or any other Federal law enforcement agency for the Royal Ulster Constabulary (in this section referred to as the ''RUC'') or RUC members until the President submits to the appropriate congressional committees the report required by subsection (b) and the certification described in subsection (c)(1).

(b) REPORT ON PAST TRAINING PROGRAMS.—The President shall report on training or exchange programs conducted by the Federal Bureau of Investigation or other Federal law enforcement agencies for the RUC or RUC members during fiscal years 1994 through 1999. Such report shall include—

(1) the number of training or exchange programs conducted during the period of the report;

(2) the number and rank of the RUC members who participated in such training or exchange programs in each fiscal year;

(3) the duration and location of such training or exchange programs; and

(4) a detailed description of the curriculum of the training or exchange programs.

(c) CERTIFICATION REGARDING FUTURE TRAINING ACTIVITIES.—

(1) IN GENERAL.—The certification described in this subsection is a certification by the President that—

(A) training or exchange programs conducted by the Federal Bureau of Investigation or other Federal law enforcement agencies for the RUC or RUC members are necessary to—

(i) improve the professionalism of policing in Northern Ireland; and

(ii) advance the peace process in Northern Ireland;

(B) such programs will include in the curriculum a significant human rights component;

(C) vetting procedures have been established in the Departments of State and Justice, and any other appropriate Federal agency, to ensure that training or exchange programs do not include RUC members who there are substantial grounds for believing have committed or condoned violations of internationally recognized human rights, including any role in the murder of Patrick Finucane or Rosemary Nelson or other violence or serious threat of violence against defense attorneys in Northern Ireland; and

(D) the governments of the United Kingdom and the Republic of Ireland are committed to assisting in the full implementation of the recommendations contained in the Patten Commission report issued September 9, 1999.

(2) FISCAL YEAR 2001 APPLICATION.—The President shall make an additional certification under paragraph (1) before any Federal law enforcement agency conducts training for the RUC or RUC members in fiscal year 2001.

(3) APPLICATION TO SUCCESSOR ORGANIZATIONS.—The provisions of this subsection shall apply to any successor organization of the RUC.

Subtitle B—Russian and Ukrainian Business Management Education

SEC. 421. PURPOSE.

The purpose of this subtitle is to establish a training program in Russia and Ukraine for nationals of those countries to obtain skills in business administration, accounting, and marketing, with special emphasis on instruction in business ethics and in the basic terminology, techniques, and practices of those disciplines, to achieve international standards of quality, transparency, and competitiveness.

SEC. 422. DEFINITIONS.

In this subtitle:

(1) DISTANCE LEARNING.—The term ''distance learning'' means training through computers, interactive videos, teleconferencing, and videoconferencing between and among students and teachers.

(2) ELIGIBLE ENTERPRISE.—The term ''eligible enterprise'' means—

(A) in the case of Russia—

(i) a business concern operating in Russia that employs Russian nationals in Russia; or

(ii) a private enterprise that is being formed or operated by former officers of the Russian armed forces in Russia; and

(B) in the case of Ukraine—

(i) a business concern operating in Ukraine that employs Ukrainian nationals in Ukraine; or

(ii) a private enterprise that is being formed or operated by former officers of the Ukrainian armed forces in Ukraine.

(3) ELIGIBLE NATIONAL.—The term ''eligible national'' means the employee of an eligible enterprise who is employed in the program country.

(4) PROGRAM.—The term ''program'' means the program of technical assistance established under section 423.

(5) PROGRAM COUNTRY.—The term ''program country'' means—

(A) Russia in the case of any eligible enterprise operating in Russia that receives technical assistance under the program; or

(B) Ukraine in the case of any eligible enterprise operating in Ukraine that receives technical assistance under the program.

SEC. 423. AUTHORIZATION FOR TRAINING PROGRAM AND INTERNSHIPS.

(a) TRAINING PROGRAM.—

(1) IN GENERAL.—The President is authorized to establish a program of technical assistance to provide the training described in section 421 to eligible enterprises.

(2) IMPLEMENTATION.—Training shall be carried out by United States nationals having expertise in business administration, accounting, and marketing or by eligible nationals who have been trained under the program. Such training may be carried out—

(A) in the offices of eligible enterprises, at business schools or institutes, or at other locations in the program country, including facilities of the armed forces of the program country, educational institutions, or in the offices of trade or industry associations, with special consideration given to locations where similar training opportunities are limited or nonexistent; or

(B) by ''distance learning'' programs originating in the United States or in European branches of United States institutions.

(b) INTERNSHIPS WITH UNITED STATES DOMESTIC BUSINESS CONCERNS.—Authorized program costs may include the travel expenses and appropriate in-country business English language training, if needed, of eligible nationals who have completed training under the program to undertake short-term internships with business concerns in the United States.

SEC. 424. APPLICATIONS FOR TECHNICAL ASSISTANCE.

(a) PROCEDURES.—

(1) IN GENERAL.—Each eligible enterprise that desires to receive training for its employees and managers under this subtitle shall submit an application to the clearinghouse under subsection (c), at such time, in such manner, and accompanied by such additional information as may reasonably be required.

(2) JOINT APPLICATIONS.—A consortium of eligible enterprises may file a joint application under the provisions of paragraph (1).

(b) CONTENTS.—An application under subsection (a) may be approved only if the application—

(1) is for an individual or individuals employed in an eligible enterprise or enterprises applying under the program;

(2) describes the level of training for which assistance under this subtitle is sought;

(3) provides evidence that the eligible enterprise meets the general policies adopted for the administration of this subtitle;

(4) provides assurances that the eligible enterprise will pay a share of the costs of the training, which share may include in-kind contributions; and

(5) provides such additional assurances as are determined to be essential to ensure compliance with the requirements of this subtitle.

(c) CLEARINGHOUSE.—A clearinghouse shall be established or designated in each program country to manage and execute the program in that country. The clearinghouse shall screen applications, provide information regarding training and teachers, monitor performance of the program, and coordinate appropriate post-program follow-on activities.

SEC. 425. RESTRICTIONS NOT APPLICABLE.

Prohibitions on the use of foreign assistance funds for assistance for the Russian Federation or for Ukraine shall not apply with respect to the funds made available to carry out this subtitle.

SEC. 426. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated $10,000,000 for the fiscal year 2000 and $10,000,000 for the fiscal year 2001 to carry out this subtitle.

(b) AVAILABILITY OF FUNDS.—Amounts appropriated under subsection (a) are authorized to remain available until expended.

TITLE V—UNITED STATES INTERNATIONAL BROADCASTING ACTIVITIES

SEC. 501. REAUTHORIZATION OF RADIO FREE ASIA.

Section 309 of the United States International Broadcasting Act of 1994 (22 U.S.C. 6208) is amended—

(1) by striking subsection (c);

(2) by redesignating subsections (d), (e), (f), (g), (h), and (i) as subsections (c), (d), (e), (f), (g), and (h), respectively;

(3) in subsection (c) (as redesignated by paragraph (2))—

(A) in paragraph (1)—

(i) by striking ''(A)''; and

(ii) by striking subparagraph (B);

(B) in paragraph (2), by striking ''September 30, 1999'' and inserting ''September 30, 2009'';

(C) in paragraph (4), by striking ''$22,000,000 in any fiscal year'' and inserting ''$30,000,000 in each of the fiscal years 2000 and 2001'';

(D) by striking paragraph (5); and

(E) by redesignating paragraph (6) as paragraph (5); and

(4) by amending subsection (f) (as redesignated by paragraph (2)) to read as follows:

''(f) SUNSET PROVISION.—The Board may not make any grant for the purpose of operating Radio Free Asia after September 30, 2009.''.

SEC. 502. NOMINATION REQUIREMENTS FOR THE CHAIRMAN OF THE BROADCASTING BOARD OF GOVERNORS.

Section 304(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 6203 (b)(2)), is amended—

(1) by striking ''designate'' and inserting ''appoint''; and

(2) by adding at the end the following: '', subject to the advice and consent of the Senate''.

SEC. 503. PRESERVATION OF RFE/RL (RADIO FREE EUROPE/RADIO LIBERTY).

Section 312 of the United States International Broadcasting Act of 1994 (22 U.S.C. 6211) is amended to read as follows:

''SEC. 312. THE CONTINUING MISSION OF RADIO FREE EUROPE AND RADIO LIBERTY BROADCASTS.

''It is the sense of Congress that Radio Free Europe and Radio Liberty should continue to broadcast to the peoples of Central Europe, Eurasia, and the Persian Gulf until such time as—

''(1) a particular nation has clearly demonstrated the successful establishment and consolidation of democratic rule; and

''(2) its domestic media which provide balanced, accurate, and comprehensive news and information, is firmly established and widely accessible to the national audience, thus making redundant broadcasts by Radio Free Europe or Radio Liberty.

''At such time as a particular nation meets both of these conditions, RFE/RL should phase out broadcasting to that nation.''.

SEC. 504. IMMUNITY FROM CIVIL LIABILITY FOR BROADCASTING BOARD OF GOVERNORS.

Section 304 of the United States International Broadcasting Act of 1994 (22 U.S.C. 6203) is amended by adding at the end the following subsection:

''(g) IMMUNITY FROM CIVIL LIABILITY.—Notwithstanding any other provision of law, any and all limitations on liability that apply to the members of the Broadcasting Board of Governors also shall apply to such members when acting in their capacities as members of the boards of directors of RFE/RL, Incorporated and Radio Free Asia.''.

TITLE VI—EMBASSY SECURITY AND COUNTERTERRORISM MEASURES

SEC. 601. SHORT TITLE.

This title may be cited as the ''Secure Embassy Construction and Counterterrorism Act of 1999''.

SEC. 602. FINDINGS.

Congress makes the following findings:

(1) On August 7, 1998, the United States embassies in Nairobi, Kenya, and in Dar es Salaam, Tanzania, were destroyed by simultaneously exploding bombs. The resulting explosions killed 220 persons and injured more than

4,000 others. Twelve Americans and 40 Kenyan and Tanzanian employees of the United States Foreign Service were killed in the attack.

(2) The United States personnel in both Dar es Salaam and Nairobi showed leadership and personal courage in their response to the attacks. Despite the havoc wreaked upon the embassies, staff in both embassies provided rapid response in locating and rescuing victims, providing emergency assistance, and quickly restoring embassy operations during a crisis.

(3) The bombs are believed to have been set by individuals associated with Osama bin Laden, leader of a known transnational terrorist organization. In February 1998, bin Laden issued a directive to his followers that called for attacks against United States interests anywhere in the world.

(4) Threats continue to be made against United States diplomatic facilities.

(5) Accountability Review Boards were convened following the bombings, as required by Public Law 99–399, chaired by Admiral William J. Crowe, United States Navy (Ret.) (in this section referred to as the ''Crowe panels'').

(6) The conclusions of the Crowe panels were strikingly similar to those stated by the Commission chaired by Admiral Bobby Ray Inman, which issued an extensive embassy security report in 1985.

(7) The Crowe panels issued a report setting out many problems with security at United States diplomatic facilities, in particular the following:

(A) The United States Government has devoted inadequate resources to security against terrorist attacks.

(B) The United States Government places too low a priority on security concerns.

(8) The result has been a failure to take adequate steps to prevent tragedies such as the bombings in Kenya and Tanzania.

(9) The Crowe panels found that there was an institutional failure on the part of the Department of State to recognize threats posed by transnational terrorism and vehicular bombs.

(10) Responsibility for ensuring adequate resources for security programs is widely shared throughout the United States Government, including Congress. Unless the vulnerabilities identified by the Crowe panels are addressed in a sustained and financially realistic manner, the lives and safety of United States employees in diplomatic facilities will continue to be at risk from further terrorist attacks.

(11) Although service in the Foreign Service or other United States Government positions abroad can never be completely without risk, the United States Government must take all reasonable steps to minimize security risks.

SEC. 603. UNITED STATES DIPLOMATIC FACILITY DEFINED.

In this title, the terms 'United States diplomatic facility' and 'diplomatic facility' mean any chancery, consulate, or other office notified to the host government as diplomatic or consular premises in accordance with the Vienna Conventions on Diplomatic and Consular Relations, or otherwise subject to a publicly available bilateral agreement with the host government (contained in the records of the United States Department of State) that recognizes the official status of the United States Government personnel present at the facility.

SEC. 604. AUTHORIZATIONS OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts otherwise authorized to be appropriated by this or any other Act, there are authorized to be appropriated for ''Embassy Security, Construction and Maintenance''—

(1) for fiscal year 2000, $900,000,000;

(2) for fiscal year 2001, $900,000,000;

(3) for fiscal year 2002, $900,000,000;

(4) for fiscal year 2003, $900,000,000; and

(5) for fiscal year 2004, $900,000,000.

(b) PURPOSES.—Funds made available under the ''Embassy Security, Construction, and Maintenance'' account may be used only for the purposes of—

(1) the acquisition of United States diplomatic facilities and, if necessary, any residences or other structures located in close physical proximity to such facilities, or

(2) the provision of major security enhancements to United States diplomatic facilities,

to the extent necessary to bring the United States Government into compliance with all requirements applicable to the security of United States diplomatic facilities, including the relevant requirements set forth in section 606.

(c) AVAILABILITY OF AUTHORIZATIONS.—Authorizations of appropriations under subsection (a) shall remain available until the appropriations are made.

(d) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to subsection (a) are authorized to remain available until expended.

SEC. 605. OBLIGATIONS AND EXPENDITURES.

(a) REPORT AND PRIORITY OF OBLIGATIONS.—

(1) REPORT.—Not later than February 1 of the year 2000 and each of the four subsequent years, the Secretary of State shall submit a classified report to the appropriate congressional committees identifying each diplomatic facility or each diplomatic or consular post composed of such facilities that is a priority for replacement or for any major security enhancement because of its vulnerability to terrorist attack (by reason of the terrorist threat and the current condition of the facility). The report shall list such facilities in groups of 20. The groups shall be ranked in order from most vulnerable to least vulnerable to such an attack.

(2) PRIORITY ON USE OF FUNDS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), funds authorized to be appropriated by section 604 for a particular project may be used only for those facilities which are listed in the first four groups described in paragraph (1).

(B) EXCEPTION.—Funds authorized to be made available by section 604 may only be used for facilities which are not in the first 4 groups described in paragraph (1), if the Congress authorizes or appropriates funds for such a diplomatic facility or the Secretary of State notifies the appropriate congressional committees that such funds will be used for a facility in accordance with the procedures applicable to a reprogramming of funds under section 34(a) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2706(a)).

(b) PROHIBITION ON TRANSFER OF FUNDS.—None of the funds authorized to be appropriated by section 604 may be transferred to any other account.

(c) SEMIANNUAL REPORTS ON ACQUISITION AND MAJOR SECURITY UPGRADES.—On June 1 and December 1 of each year, the Secretary of State shall submit a report to the appropriate congressional committees on the embassy construction and security program authorized under this title. The report shall include—

(1) obligations and expenditures—

(A) during the previous two fiscal quarters; and

(B) since the enactment of this Act;

(2) projected obligations and expenditures for the fiscal year in which the report is submitted and how these obligations and expenditures will improve security conditions of specific diplomatic facilities; and

(3) the status of ongoing acquisition and major security enhancement projects, including any significant changes in—

(A) the budgetary requirements for such projects;

(B) the schedule of such projects; and

(C) the scope of the projects.

SEC. 606. SECURITY REQUIREMENTS FOR UNITED STATES DIPLOMATIC FACILITIES.

(a) IN GENERAL.—The following security requirements shall apply with respect to United States diplomatic facilities and specified personnel:

(1) THREAT ASSESSMENT.—

(A) EMERGENCY ACTION PLAN.—The Emergency Action Plan (EAP) of each United States mission shall address the threat of large explosive attacks from vehicles and the safety of employees during such an explosive attack. Such plan shall be reviewed and updated annually.

(B) SECURITY ENVIRONMENT THREAT LIST.—The Security Environment Threat List shall contain a section that addresses potential acts of international terrorism against United States diplomatic facilities based on threat identification criteria that emphasize the threat of transnational terrorism and include the local security environment, host government support, and other relevant factors such as cultural realities. Such plan shall be reviewed and updated every six months.

(2) SITE SELECTION.—

(A) IN GENERAL.—In selecting a site for any new United States diplomatic facility abroad, the Secretary shall ensure that all United States Government personnel at the post (except those under the command of an area military commander) will be located on the site.

(B) WAIVER AUTHORITY.—

(i) IN GENERAL.—Subject to clause (ii), the Secretary of State may waive subparagraph (A) if the Secretary, together with the head of each agency employing personnel that would not be located at the site, determine that security considerations permit and it is in the national interest of the United States.

(ii) CHANCERY OR CONSULATE BUILDING.—

(I) AUTHORITY NOT DELEGABLE.—The Secretary may not delegate the waiver authority under clause (i) with respect to a chancery or consulate building.

(II) CONGRESSIONAL NOTIFICATION.—Not less than 15 days prior to implementing the waiver authority under clause (i) with respect to a chancery or consulate building, the Secretary shall notify the appropriate congressional committees in writing of the waiver and the reasons for the determination.

(iii) REPORT TO CONGRESS.—The Secretary shall submit to the appropriate congressional committees an annual report of all waivers under this subparagraph.

(3) PERIMETER DISTANCE.—

(A) REQUIREMENT.—Each newly acquired United States diplomatic facility shall be sited not less than 100 feet from the perimeter of the property on which the facility is to be situated.

(B) WAIVER AUTHORITY.—

(i) IN GENERAL.—Subject to clause (ii), the Secretary of State may waive subparagraph (A) if the Secretary determines that security considerations permit and it is in the national interest of the United States.

(ii) CHANCERY OR CONSULATE BUILDING.—

(I) AUTHORITY NOT DELEGABLE.—The Secretary may not delegate the waiver authority under clause (i) with respect to a chancery or consulate building.

(II) CONGRESSIONAL NOTIFICATION.—Not less than 15 days prior to implementing the waiver authority under subparagraph (A) with respect to a chancery or consulate building, the Secretary shall notify the appropriate congressional committees in writing of the waiver and the reasons for the determination.

(iii) REPORT TO CONGRESS.—The Secretary shall submit to the appropriate congressional committees an annual report of all waivers under this subparagraph.

(4) CRISIS MANAGEMENT TRAINING.—

(A) TRAINING OF HEADQUARTERS STAFF.—The appropriate personnel of the Department of State headquarters staff shall undertake crisis management training for mass casualty and mass destruction incidents relating to diplomatic facilities for the purpose of bringing about a rapid response to such incidents from Department of State headquarters in Washington, D.C.

(B) TRAINING OF PERSONNEL ABROAD.—A program of appropriate instruction in crisis management shall be provided to personnel at

United States diplomatic facilities abroad at least on an annual basis.

(5) DIPLOMATIC SECURITY TRAINING.—Not later than six months after the date of the enactment of this Act, the Secretary of State shall—

(A) develop annual physical fitness standards for all diplomatic security agents to ensure that the agents are prepared to carry out all of their official responsibilities; and

(B) provide for an independent evaluation by an outside entity of the overall adequacy of current new agent, in-service, and management training programs to prepare agents to carry out the full scope of diplomatic security responsibilities, including preventing attacks on United States personnel and facilities.

(6) STATE DEPARTMENT SUPPORT.—

(A) FOREIGN EMERGENCY SUPPORT TEAM.—The Foreign Emergency Support Team (FEST) of the Department of State shall receive sufficient support from the Department, including—

(i) conducting routine training exercises of the FEST;

(ii) providing personnel identified to serve on the FEST as a collateral duty;

(iii) providing personnel to assist in activities such as security, medical relief, public affairs, engineering, and building safety; and

(iv) providing such additional support as may be necessary to enable the FEST to provide support in a post-crisis environment involving mass casualties and physical damage.

(B) FEST AIRCRAFT.—

(i) REPLACEMENT AIRCRAFT.—The President shall develop a plan to replace on a priority basis the current FEST aircraft funded by the Department of Defense with a dedicated, capable, and reliable replacement aircraft and backup aircraft to be operated and maintained by the Department of Defense.

(ii) REPORT.—Not later than 60 days after the date of enactment of this Act, the President shall submit a report to the appropriate congressional committees describing the aircraft selected pursuant to clause (i) and the arrangements for the funding, operation, and maintenance of such aircraft.

(iii) AUTHORITY TO LEASE AIRCRAFT TO RESPOND TO A TERRORIST ATTACK ABROAD.—Subject to the availability of appropriations, when the Attorney General of the Department of Justice exercises the Attorney General's authority to lease commercial aircraft to transport equipment and personnel in response to a terrorist attack abroad if there have been reasonable efforts to obtain appropriate Department of Defense aircraft and such aircraft are unavailable, the Attorney General shall have the authority to obtain indemnification insurance or guarantees if necessary and appropriate.

(7) RAPID RESPONSE PROCEDURES.—The Secretary of State shall enter into a memorandum of understanding with the Secretary of Defense setting out rapid response procedures for mobilization of personnel and equipment of their respective departments to provide more effective assistance in times of emergency with respect to United States diplomatic facilities.

(8) STORAGE OF EMERGENCY EQUIPMENT AND RECORDS.—All United States diplomatic facilities shall have emergency equipment and records required in case of an emergency situation stored at an off-site facility.

(b) STATUTORY CONSTRUCTION.—Nothing in this section alters or amends existing security requirements not addressed by this section.

SEC. 607. REPORT ON OVERSEAS PRESENCE.

(a) REVIEW.—The Secretary of State shall review the findings of the Overseas Presence Advisory Panel of the Department of State.

(b) REPORT.—

(1) IN GENERAL.—Not later than 120 days after submission of the Overseas Presence Advisory Panel Report, the Secretary of State shall submit a report to the appropriate congressional committees setting forth the results of the review conducted under subsection (a).

(2) ELEMENTS OF THE REPORT.—To the extent not addressed by the review described in subsection (a), the report shall also—

(A) specify whether any United States diplomatic facility should be closed because—

(i) the facility is highly vulnerable and subject to threat of terrorist attack; and

(ii) adequate security enhancements cannot be provided to the facility;

(B) in the event that closure of a diplomatic facility is required, identify plans to provide secure premises for permanent use by the United States diplomatic mission, whether in country or in a regional United States diplomatic facility, or for temporary occupancy by the mission in a facility pending acquisition of new buildings;

(C) outline the potential for reduction or transfer of personnel or closure of missions if technology is adequately exploited for maximum efficiencies;

(D) examine the possibility of creating regional missions in certain parts of the world;

(E) in the case of diplomatic facilities that are part of the Special Embassy Program, report on the foreign policy objectives served by retaining such missions, balancing the importance of these objectives against the well-being of United States personnel; and

(F) examine the feasibility of opening new regional outreach centers, modeled on the system used by the United States Embassy in Paris, France, with each center designed to operate—

(i) at no additional cost to the United States Government;

(ii) with staff consisting of one or two Foreign Service officers currently assigned to the United States diplomatic mission in the country in which the center is located; and

(iii) in a region of the country with high gross domestic product (GDP), a high density population, and a media market that not only includes but extends beyond the region.

SEC. 608. ACCOUNTABILITY REVIEW BOARDS.

Section 301 of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (22 U.S.C. 4831) is amended to read as follows:

"SEC. 301. ACCOUNTABILITY REVIEW BOARDS.

"(a) IN GENERAL.—

"(1) CONVENING A BOARD.—Except as provided in paragraph (2), in any case of serious injury, loss of life, or significant destruction of property at, or related to, a United States Government mission abroad, and in any case of a serious breach of security involving intelligence activities of a foreign government directed at a United States Government mission abroad, which is covered by the provisions of titles I through IV (other than a facility or installation subject to the control of a United States area military commander), the Secretary of State shall convene an Accountability Review Board (in this title referred to as the 'Board'). The Secretary shall not convene a Board where the Secretary determines that a case clearly involves only causes unrelated to security.

"(2) DEPARTMENT OF DEFENSE FACILITIES AND PERSONNEL.—The Secretary of State is not required to convene a Board in the case of an incident described in paragraph (1) that involves any facility, installation, or personnel of the Department of Defense with respect to which the Secretary has delegated operational control of overseas security functions to the Secretary of Defense pursuant to section 106 of this Act. In any such case, the Secretary of Defense shall conduct an appropriate inquiry. The Secretary of Defense shall report the findings and recommendations of such inquiry, and the action taken with respect to such recommendations, to the Secretary of State and Congress.

"(b) DEADLINES FOR CONVENING BOARDS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary of State shall convene a Board not later than 60 days after the occurrence of an incident described in subsection (a)(1), except that such 60-day period may be extended for one additional 60-day period if the Secretary determines that the additional period is necessary for the convening of the Board.

"(2) DELAY IN CASES INVOLVING INTELLIGENCE ACTIVITIES.— With respect to breaches of security involving intelligence activities, the Secretary of State may delay the establishment of a Board if, after consultation with the chairman of the Select Committee on Intelligence of the Senate and the chairman of the Permanent Select Committee on Intelligence of the House of Representatives, the Secretary determines that the establishment of a Board would compromise intelligence sources or methods. The Secretary shall promptly advise the chairmen of such committees of each determination pursuant to this paragraph to delay the establishment of a Board.

"(c) NOTIFICATION TO CONGRESS.—Whenever the Secretary of State convenes a Board, the Secretary shall promptly inform the chairman of the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives—

"(1) that a Board has been convened;

"(2) of the membership of the Board; and

"(3) of other appropriate information about the Board.".

SEC. 609. INCREASED ANTI-TERRORISM TRAINING IN AFRICA.

Not later than six months after the date of the enactment of this Act, the Secretary of State, in consultation with the Secretary of the Treasury and the Attorney General, shall submit a report to the appropriate congressional committees on a proposed operational plan and site selection to expeditiously establish an International Law Enforcement Academy (ILEA) on the continent of Africa in order to increase training and cooperation on the continent in anti-terrorism and transnational crime fighting.

TITLE VII—INTERNATIONAL ORGANIZATIONS AND COMMISSIONS

Subtitle A—International Organizations Other than the United Nations

SEC. 701. CONFORMING AMENDMENTS TO REFLECT REDESIGNATION OF CERTAIN INTERPARLIAMENTARY GROUPS.

(a) TRANSATLANTIC LEGISLATORS' DIALOGUE.—Section 109(c) of the Department of State Authorization Act, Fiscal Years 1984 and 1985 (22 U.S.C. 276 note) is amended by striking "United States-European Community Interparliamentary Group" and inserting "Transatlantic Legislators' Dialogue (United States-European Union Interparliamentary Group)".

(b) NATO PARLIAMENTARY ASSEMBLY—

(1) IN GENERAL.—The joint resolution entitled "Joint Resolution to authorize participation by the United States in parliamentary conferences of the North Atlantic Treaty Organization", approved July 11, 1956 (22 U.S.C. 1928a et seq.), is amended in sections 2, 3, and 4 (22 U.S.C. 1928b, 1928c, and 1928d, respectively) by striking "North Atlantic Assembly" each place it appears and inserting "NATO Parliamentary Assembly".

(2) CONFORMING AMENDMENT.—Section 105(b) of the Legislative Branch Appropriation Act, 1961 (22 U.S.C. 276c–1) is amended by striking "North Atlantic Assembly" and inserting "NATO Parliamentary Assembly".

(3) REFERENCES.—In the case of any provision of law having application on or after May 31, 1999 (other than a provision of law specified in subparagraphs (A) or (B)), any reference contained in that provision to the North Atlantic Assembly shall, on and after that date, be considered to be a reference to the NATO Parliamentary Assembly.

SEC. 702. AUTHORITY OF THE INTERNATIONAL BOUNDARY AND WATER COMMISSION TO ASSIST STATE AND LOCAL GOVERNMENTS.

(a) AUTHORITY.—The Commissioner of the United States section of the International

Boundary and Water Commission may provide technical tests, evaluations, information, surveys, or others similar services to State or local governments upon the request of such State or local government on a reimbursable basis.

(b) REIMBURSEMENTS.—Reimbursements shall be paid in advance of the goods or services ordered and shall be for the estimated or actual cost as determined by the United States section of the International Boundary and Water Commission. Proper adjustment of amounts paid in advance shall be made as determined by the United States section of the International Boundary and Water Commission on the basis of the actual cost of goods or services provided. Reimbursements received by the United States section of the International Boundary and Water Commission for providing services under this section shall be credited to the appropriation from which the cost of providing the services is charged.

SEC. 703. INTERNATIONAL BOUNDARY AND WATER COMMISSION.

Section 2(b) of the American-Mexican Chamizal Convention Act of 1964 (Public Law 88–300; 22 U.S.C. 277d–18(b)) is amended by inserting ''operations, maintenance, and'' after ''cost of''.

SEC. 704. SEMIANNUAL REPORTS ON UNITED STATES SUPPORT FOR MEMBERSHIP OR PARTICIPATION OF TAIWAN IN INTERNATIONAL ORGANIZATIONS.

(a) REPORTS REQUIRED.—Not later than 60 days after the date of enactment of this Act, and every 6 months thereafter for fiscal years 2000 and 2001, the Secretary of State shall submit to Congress a report in a classified and unclassified manner on the status of efforts by the United States Government to support—

(1) the membership of Taiwan in international organizations that do not require statehood as a prerequisite to such membership; and

(2) the appropriate level of participation by Taiwan in international organizations that may require statehood as a prerequisite to full membership.

(b) REPORT ELEMENTS.—Each report under subsection (a) shall—

(1) set forth a comprehensive list of the international organizations in which the United States Government supports the membership or participation of Taiwan;

(2) describe in detail the efforts of the United States Government to achieve the membership or participation of Taiwan in each organization listed; and

(3) identify the obstacles to the membership or participation of Taiwan in each organization listed, including a list of any governments that do not support the membership or participation of Taiwan in each such organization.

SEC. 705. RESTRICTION RELATING TO UNITED STATES ACCESSION TO THE INTERNATIONAL CRIMINAL COURT.

(a) PROHIBITION.—The United States shall not become a party to the International Criminal Court except pursuant to a treaty made under Article II, section 2, clause 2 of the Constitution of the United States on or after the date of enactment of this Act.

(b) PROHIBITION.—None of the funds authorized to be appropriated by this or any other Act may be obligated for use by, or for support of, the International Criminal Court unless the United States has become a party to the Court pursuant to a treaty made under Article II, section 2, clause 2 of the Constitution of the United States on or after the date of enactment of this Act.

(c) INTERNATIONAL CRIMINAL COURT DEFINED.—In this section, the term ''International Criminal Court'' means the court established by the Rome Statute of the International Criminal Court, adopted by the United Nations Diplomatic Conference of Plenipotentiaries on the Establishment of an International Criminal Court on July 17, 1998.

SEC. 706. PROHIBITION ON EXTRADITION OR TRANSFER OF UNITED STATES CITIZENS TO THE INTERNATIONAL CRIMINAL COURT.

(a) PROHIBITION ON EXTRADITION.—None of the funds authorized to be appropriated or otherwise made available by this or any other Act may be used to extradite a United States citizen to a foreign country that is under an obligation to surrender persons to the International Criminal Court unless that foreign country confirms to the United States that applicable prohibitions on reextradition apply to such surrender or gives other satisfactory assurances to the United States that the country will not extradite or otherwise transfer that citizen to the International Criminal Court.

(b) PROHIBITION ON CONSENT TO EXTRADITION BY THIRD COUNTRIES.—None of the funds authorized to be appropriated or otherwise made available by this or any other Act may be used to provide consent to the extradition or transfer of a United States citizen by a foreign country to a third country that is under an obligation to surrender persons to the International Criminal Court, unless the third country confirms to the United States that applicable prohibitions on reextradition apply to such surrender or gives other satisfactory assurances to the United States that the third country will not extradite or otherwise transfer that citizen to the International Criminal Court.

(c) DEFINITION.—In this section, the term ''International Criminal Court'' has the meaning given the term in section 705(c) of this Act.

SEC. 707. REQUIREMENT FOR REPORTS REGARDING FOREIGN TRAVEL.

Section 2505 of the Foreign Affairs Reform and Restructuring Act of 1998 (as contained in division G of Public Law 105–277) is amended—

(1) in subsection (a), by striking ''by this division for fiscal year 1999'' and inserting ''for the Department of State for fiscal year 2000 or 2001''; and

(2) in subsection (d), by striking ''not later than April 1, 1999,'' and inserting ''on January 31 of the years 2000 and 2001 and July 31 of the years 2000 and 2001,''.

SEC. 708. UNITED STATES REPRESENTATION AT THE INTERNATIONAL ATOMIC ENERGY AGENCY.

(a) AMENDMENT TO THE UNITED NATIONS PARTICIPATION ACT OF 1945.—Section 2(h) of the United Nations Participation Act of 1945 (22 U.S.C. 287(h)) is amended by adding at the end the following new sentence: ''The representative of the United States to the Vienna office of the United Nations shall also serve as representative of the United States to the International Atomic Energy Agency.''.

(b) AMENDMENT TO THE IAEA PARTICIPATION ACT OF 1957.—Section 2(a) of the International Atomic Energy Agency Participation Act of 1957 (22 U.S.C. 2021(a)) is amended by adding at the end the following new sentence: ''The Representative of the United States to the Vienna office of the United Nations shall also serve as representative of the United States to the Agency.''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to individuals appointed on or after the date of enactment of this Act.

Subtitle B—United Nations Activities

SEC. 721. UNITED NATIONS POLICY ON ISRAEL AND THE PALESTINIANS.

(a) CONGRESSIONAL STATEMENT.—It shall be the policy of the United States to promote an end to the persistent inequity experienced by Israel in the United Nations whereby Israel is the only longstanding member of the organization to be denied acceptance into any of the United Nations regional blocs.

(b) POLICY ON ABOLITION OF CERTAIN UNITED NATIONS GROUPS.—It shall be the policy of the United States to seek the abolition of certain United Nations groups the existence of which is inimical to the ongoing Middle East peace process, those groups being the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Palestinian People and other Arabs of the Occupied Territories; the Committee on the Exercise of the Inalienable Rights of the Palestinian People; the Division for the Palestinian Rights; and the Division on Public Information on the Question of Palestine.

(c) ANNUAL REPORTS.—On January 15 of each year, the Secretary of State shall submit a report to the appropriate congressional committees (in classified or unclassified form as appropriate) on—

(1) actions taken by representatives of the United States to encourage the nations of the Western Europe and Others Group (WEOG) to accept Israel into their regional bloc;

(2) other measures being undertaken, and which will be undertaken, to ensure and promote Israel's full and equal participation in the United Nations; and

(3) steps taken by the United States under subsection (b) to secure abolition by the United Nations of groups described in that subsection.

(d) ANNUAL CONSULTATION.—At the time of the submission of each annual report under subsection (c), the Secretary of State shall consult with the appropriate congressional committees on specific responses received by the Secretary of State from each of the nations of the Western Europe and Others Group (WEOG) on their position concerning Israel's acceptance into their organization.

SEC. 722. DATA ON COSTS INCURRED IN SUPPORT OF UNITED NATIONS PEACEKEEPING OPERATIONS.

Chapter 6 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2348 et seq.) is amended by adding at the end the following:

''SEC. 554. DATA ON COSTS INCURRED IN SUPPORT OF UNITED NATIONS PEACEKEEPING OPERATIONS.

''(a) UNITED STATES COSTS.—The President shall annually provide to the Secretary General of the United Nations data regarding all costs incurred by the United States Department of Defense during the preceding year in support of all United Nations Security Council resolutions as reported to the Congress pursuant to section 8079 of the Department of Defense Appropriations Act, 1998.

''(b) UNITED NATIONS MEMBER COSTS.—The President shall request that the United Nations compile and publish information concerning costs incurred by United Nations members in support of such resolutions.''.

SEC. 723. REIMBURSEMENT FOR GOODS AND SERVICES PROVIDED BY THE UNITED STATES TO THE UNITED NATIONS.

The United Nations Participation Act of 1945 (22 U.S.C. 287 et seq.) is amended by adding at the end the following new section:

''SEC. 10. REIMBURSEMENT FOR GOODS AND SERVICES PROVIDED BY THE UNITED STATES TO THE UNITED NATIONS.

''(a) REQUIREMENT TO OBTAIN REIMBURSEMENT.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the President shall seek and obtain in a timely fashion a commitment from the United Nations to provide reimbursement to the United States from the United Nations whenever the United States Government furnishes assistance pursuant to the provisions of law described in subsection (c)—

''(A) to the United Nations when the assistance is designed to facilitate or assist in carrying out an assessed peacekeeping operation;

''(B) for any United Nations peacekeeping operation that is authorized by the United Nations Security Council under Chapter VI or Chapter VII of the United Nations Charter and paid for by peacekeeping or regular budget assessment of the United Nations members; or

''(C) to any country participating in any operation authorized by the United Nations Security Council under Chapter VI or Chapter VII of the United Nations Charter and paid for by peacekeeping assessments of United Nations members when the assistance is designed to facilitate or assist the participation of that country in the operation.

''(2) EXCEPTIONS.—

''(A) IN GENERAL.—The requirement in paragraph (1) shall not apply to—

''(i) goods and services provided to the United States Armed Forces;

''(ii) assistance having a value of less than $3,000,000 per fiscal year per operation;

''(iii) assistance furnished before the date of enactment of this section;

''(iv) salaries and expenses of civilian police and other civilian and military monitors where United Nations policy is to require payment by contributing members for similar assistance to United Nations peacekeeping operations; or

''(v) any assistance commitment made before the date of enactment of this section.

''(B) DEPLOYMENTS OF UNITED STATES MILITARY FORCES.— The requirements of subsection (d)(1)(B) shall not apply to the deployment of United States military forces when the President determines that such deployment is important to the security interests of the United States. The cost of such deployment shall be included in the data provided under section 554 of the Foreign Assistance Act of 1961.

''(3) FORM AND AMOUNT.—

''(A) AMOUNT.—The amount of any reimbursement under this subsection shall be determined at the usual rate established by the United Nations.

''(B) FORM.—Reimbursement under this subsection may include credits against the United States assessed contributions for United Nations peacekeeping operations, if the expenses incurred by any United States department or agency providing the assistance have first been reimbursed.

''(b) TREATMENT OF REIMBURSEMENTS.—

''(1) CREDIT.—The amount of any reimbursement paid the United States under subsection (a) shall be credited to the current applicable appropriation, fund, or account of the United States department or agency providing the assistance for which the reimbursement is paid.

''(2) AVAILABILITY.—Amounts credited under paragraph (1) shall be merged with the appropriations, or with appropriations in the fund or account, to which credited and shall be available for the same purposes, and subject to the same conditions and limitations, as the appropriations with which merged.

''(c) COVERED ASSISTANCE.—Subsection (a) applies to assistance provided under the following provisions of law:

''(1) Sections 6 and 7 of this Act.

''(2) Sections 451, 506(a)(1), 516, 552(c), and 607 of the Foreign Assistance Act of 1961.

''(3) Any other provisions of law pursuant to which assistance is provided by the United States to carry out the mandate of an assessed United Nations peacekeeping operation.

''(d) WAIVER.—

''(1) AUTHORITY.—

''(A) IN GENERAL.—The President may authorize the furnishing of assistance covered by this section without regard to subsection (a) if the President determines, and so notifies in writing the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives, that to do so is important to the security interests of the United States.

''(B) CONGRESSIONAL NOTIFICATION.—When exercising the authorities of subparagraph (A), the President shall notify the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961.

''(2) CONGRESSIONAL REVIEW.—Notwithstanding a notice under paragraph (1) with respect to assistance covered by this section, subsection (a) shall apply to the furnishing of the assistance if, not later than 15 calendar days after receipt of a notification under that paragraph, the Congress enacts a joint resolution disapproving the determination of the President contained in the notification.

''(3) SENATE PROCEDURES.—Any joint resolution described in paragraph (2) shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

''(e) RELATIONSHIP TO OTHER REIMBURSEMENT AUTHORITY.—Nothing in this section shall preclude the President from seeking reimbursement for assistance covered by this section that is in addition to the reimbursement sought for the assistance under subsection (a).

''(f) DEFINITION.—In this section, the term 'assistance' includes personnel, services, supplies, equipment, facilities, and other assistance if such assistance is provided by the Department of Defense or any other United States Government agency.''.

SEC. 724. CODIFICATION OF REQUIRED NOTICE OF PROPOSED UNITED NATIONS PEACEKEEPING OPERATIONS.

(a) CODIFICATION.—Section 4 of the United Nations Participation Act of 1945 (22 U.S.C. 287b) is amended—

(1) in subsection (a), by striking the second sentence; and

(2) by striking subsection (e) and inserting the following:

''(e) CONSULTATIONS AND REPORTS ON UNITED NATIONS PEACEKEEPING OPERATIONS.—

''(1) CONSULTATIONS.—Each month the President shall consult with Congress on the status of United Nations peacekeeping operations.

''(2) INFORMATION TO BE PROVIDED.—In connection with such consultations, the following information shall be provided each month to the designated congressional committees:

''(A) With respect to ongoing United Nations peacekeeping operations, the following:

''(i) A list of all resolutions of the United Nations Security Council anticipated to be voted on during such month that would extend or change the mandate of any United Nations peacekeeping operation.

''(ii) For each such operation, any changes in the duration, mandate, and command and control arrangements that are anticipated as a result of the adoption of the resolution.

''(iii) An estimate of the total cost to the United Nations of each such operation for the period covered by the resolution, and an estimate of the amount of that cost that will be assessed to the United States.

''(iv) Any anticipated significant changes in United States participation in or support for each such operation during the period covered by the resolution (including the provision of facilities, training, transportation, communication, and logistical support, but not including intelligence activities reportable under title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.)), and the estimated costs to the United States of such changes.

''(B) With respect to each new United Nations peacekeeping operation that is anticipated to be authorized by a Security Council resolution during such month, the following information for the period covered by the resolution:

''(i) The anticipated duration, mandate, and command and control arrangements of such operation, the planned exit strategy, and the vital national interest to be served.

''(ii) An estimate of the total cost to the United Nations of the operation, and an estimate of the amount of that cost that will be assessed to the United States.

''(iii) A description of the functions that would be performed by any United States Armed Forces participating in or otherwise operating in support of the operation, an estimate of the number of members of the Armed Forces that will participate in or otherwise operate in support of the operation, and an estimate of the cost to the United States of such participation or support.

''(iv) A description of any other United States assistance to or support for the operation (including the provision of facilities, training, transportation, communication, and logistical support, but not including intelligence activities reportable under title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.)), and an estimate of the cost to the United States of such participation or support.

''(v) A reprogramming of funds pursuant to section 34 of the State Department Basic Authorities Act of 1956, submitted in accordance with the procedures set forth in such section, describing the source of funds that will be used to pay for the cost of the new United Nations peacekeeping operation, provided that such notification shall also be submitted to the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate.

''(3) FORM AND TIMING OF INFORMATION.—

''(A) FORM.—The President shall submit information under clauses (i) and (iii) of paragraph (2)(A) in writing.

''(B) TIMING.—

''(i) ONGOING OPERATIONS.—The information required under paragraph (2)(A) for a month shall be submitted not later than the 10th day of the month.

''(ii) NEW OPERATIONS.—The information required under paragraph (2)(B) shall be submitted in writing with respect to each new United Nations peacekeeping operation not less than 15 days before the anticipated date of the vote on the resolution concerned unless the President determines that exceptional circumstances prevent compliance with the requirement to report 15 days in advance. If the President makes such a determination, the information required under paragraph (2)(B) shall be submitted as far in advance of the vote as is practicable.

''(4) NEW UNITED NATIONS PEACEKEEPING OPERATION DEFINED.—As used in paragraph (2), the term 'new United Nations peacekeeping operation' includes any existing or otherwise ongoing United Nations peacekeeping operation—

''(A) where the authorized force strength is to be expanded;

''(B) that is to be authorized to operate in a country in which it was not previously authorized to operate; or

''(C) the mandate of which is to be changed so that the operation would be engaged in significant additional or significantly different functions.

''(5) NOTIFICATION AND QUARTERLY REPORTS REGARDING UNITED STATES ASSISTANCE.—

''(A) NOTIFICATION OF CERTAIN ASSISTANCE.—

''(i) IN GENERAL.—The President shall notify the designated congressional committees at least 15 days before the United States provides any assistance to the United Nations to support peacekeeping operations.

''(ii) EXCEPTION.—This subparagraph does not apply to—

''(I) assistance having a value of less than $3,000,000 in the case of nonreimbursable assistance or less than $14,000,000 in the case of reimbursable assistance; or

''(II) assistance provided under the emergency drawdown authority of sections 506(a)(1) and 552(c)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2318(a)(1) and 2348a(c)(2)).

''(B) QUARTERLY REPORTS.—

''(i) IN GENERAL.—The President shall submit quarterly reports to the designated congressional committees on all assistance provided by the United States during the preceding calendar quarter to the United Nations to support peacekeeping operations.

''(ii) MATTERS INCLUDED.—Each report under this subparagraph shall describe the assistance provided for each such operation, listed by category of assistance.

''(iii) FOURTH QUARTER REPORT.—The report under this subparagraph for the fourth calendar quarter of each year shall be submitted as part of the annual report required by subsection (d) and shall include cumulative information for the preceding calendar year.

''(f) DESIGNATED CONGRESSIONAL COMMITTEES.—In this section, the term 'designated congressional committees' means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.''.

(2) CONFORMING REPEAL.—Subsection (a) of section 407 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236; 22 U.S.C. 287b note; 108 Stat. 448) is repealed.

(b) RELATIONSHIP TO OTHER NOTICE REQUIREMENTS.—Section 4 of the United Nations Participation Act of 1945, as amended by subsection (a), is further amended by adding at the end the following:

''(g) RELATIONSHIP TO OTHER NOTIFICATION REQUIREMENTS.—Nothing in this section is intended to alter or supersede any notification requirement with respect to peacekeeping operations that is established under any other provision of law.''.

TITLE VIII—MISCELLANEOUS PROVISIONS

Subtitle A—General Provisions

SEC. 801. DENIAL OF ENTRY INTO UNITED STATES OF FOREIGN NATIONALS ENGAGED IN ESTABLISHMENT OR ENFORCEMENT OF FORCED ABORTION OR STERILIZATION POLICY.

(a) DENIAL OF ENTRY.—Notwithstanding any other provision of law, the Secretary of State may not issue any visa to, and the Attorney General may not admit to the United States, any foreign national whom the Secretary finds, based on credible and specific information, to have been directly involved in the establishment or enforcement of population control policies forcing a woman to undergo an abortion against her free choice or forcing a man or woman to undergo sterilization against his or her free choice, unless the Secretary has substantial grounds for believing that the foreign national has discontinued his or her involvement with, and support for, such policies.

(b) EXCEPTIONS.—The prohibitions in subsection (a) shall not apply in the case of a foreign national who is a head of state, head of government, or cabinet level minister.

(c) WAIVER.—The Secretary of State may waive the prohibitions in subsection (a) with respect to a foreign national if the Secretary—

(1) determines that it is important to the national interest of the United States to do so; and

(2) provides written notification to the appropriate congressional committees containing a justification for the waiver.

SEC. 802. TECHNICAL CORRECTIONS.

(a) Section 1422(b)(3)(B) of the Foreign Affairs Reform and Restructuring Act (as contained in division G of Public Law 105–277; 112 Stat. 2681–792) is amended by striking ''divisionAct'' and inserting ''division''.

(b) Section 1002(a) of the Foreign Affairs Reform and Restructuring Act (as contained in division G of Public Law 105–277; 112 Stat. 2681–762) is amended by striking paragraph (3).

(c) The table of contents of division G of Public Law 105–277 (112 Stat. 2681–762) is amended by striking ''DIVISION__'' and inserting ''DIVISION G''.

(d) Section 305 of Public Law 97–446 (19 U.S.C 2604) is amended in the first sentence by striking ''Secretary'' the first place it appears and inserting ''Secretary, in consultation with the Secretary of State,''.

SEC. 803. REPORTS WITH RESPECT TO A REFERENDUM ON WESTERN SAHARA.

(a) REPORTS REQUIRED.—

(1) IN GENERAL.—Not later than each of the dates specified in paragraph (2), the Secretary of State shall submit a report to the appropriate congressional committees describing specific steps being taken by the Government of Morocco and by the Popular Front for the Liberation of Saguia el-Hamra and Rio de Oro (POLISARIO) to ensure that a free, fair, and transparent referendum in which the people of the Western Sahara will choose between independence and integration with Morocco will be held by July 2000.

(2) DEADLINES FOR SUBMISSION OF REPORTS.—The dates referred to in paragraph (1) are January 1, 2000, and June 1, 2000.

(b) REPORT ELEMENTS.—The report shall include—

(1) a description of preparations for the referendum, including the extent to which free access to the territory for independent international organizations, including election observers and international media, will be guaranteed;

(2) a description of current efforts by the Department of State to ensure that a referendum will be held by July 2000;

(3) an assessment of the likelihood that the July 2000 date will be met;

(4) a description of obstacles, if any, to the voter registration process and other preparations for the referendum, and efforts being made by the parties and the United States Government to overcome those obstacles; and

(5) an assessment of progress being made in the repatriation process.

SEC. 804. REPORTING REQUIREMENTS UNDER PLO COMMITMENTS COMPLIANCE ACT OF 1989.

The PLO Commitments Compliance Act of 1989 is amended—

(1) in section 804(b), by striking ''In conjunction with each written policy justification required under section 604(b)(1) of the Middle East Peace Facilitation Act of 1995 or every'' and inserting ''Every'';

(2) in section 804(b)—

(A) by striking ''and'' at the end of paragraph (9);

(B) by striking the period at the end of paragraph (10); and

(C) by adding at the end the following new paragraphs:

''(11) a statement on the effectiveness of end-use monitoring of international or United States aid being provided to the Palestinian Authority, Palestinian Liberation Organization, or the Palestinian Legislative Council, or to any other agent or instrumentality of the Palestinian Authority, on Palestinian efforts to comply with international accounting standards and on enforcement of anti-corruption measures; and

''(12) a statement on compliance by the Palestinian Authority with the democratic reforms, with specific details regarding the separation of powers called for between the executive and Legislative Council, the status of legislation passed by the Legislative Council and sent to the executive, the support of the executive for local and municipal elections, the status of freedom of the press, and of the ability of the press to broadcast debate from within the Legislative Council and about the activities of the Legislative Council.''.

SEC. 805. REPORT ON TERRORIST ACTIVITY IN WHICH UNITED STATES CITIZENS WERE KILLED AND RELATED MATTERS.

(a) IN GENERAL.—Not later than 6 months after the date of enactment of this Act and every 6 months thereafter until October 1, 2001, the Secretary of State shall prepare and submit a report, with a classified annex as necessary, to the appropriate congressional committees regarding terrorist attacks in Israel, in territory administered by Israel, and in territory administered by the Palestinian Authority. The report shall contain the following information:

(1) A list of formal commitments the Palestinian Authority has made to combat terrorism.

(2) A list of terrorist attacks, occurring between September 13, 1993 and the date of the report, against United States citizens in Israel, in territory administered by Israel, or in territory administered by the Palestinian Authority, including—

(A) a list of all citizens of the United States killed or injured in such attacks;

(B) the date of each attack and the total number of people killed or injured in each attack;

(C) the person or group claiming responsibility for the attack and where such person or group has found refuge or support;

(D) a list of suspects implicated in each attack and the nationality of each suspect, including information on—

(i) which suspects are in the custody of the Palestinian Authority and which suspects are in the custody of Israel;

(ii) which suspects are still at large in areas controlled by the Palestinian Authority or Israel; and

(iii) the whereabouts (or suspected whereabouts) of suspects implicated in each attack.

(3) Of the suspects implicated in the attacks described in paragraph (2) and detained by Palestinian or Israeli authorities, information on—

(A) the date each suspect was incarcerated;

(B) whether any suspects have been released, the date of such release, and whether any released suspect was implicated in subsequent acts of terrorism; and

(C) the status of each case pending against a suspect, including information on whether the suspect has been indicted, prosecuted, or convicted by the Palestinian Authority or Israel.

(4) The policy of the Department of State with respect to offering rewards for information on terrorist suspects, including any information on whether a reward has been posted for suspects involved in terrorist attacks listed in the report.

(5) A list of each request by the United States for assistance in investigating terrorist attacks listed in the report, a list of each request by the United States for the transfer of terrorist suspects from the Palestinian Authority and Israel since September 13, 1993, and the response to each request from the Palestinian Authority and Israel.

(6) A description of efforts made by United States officials since September 13, 1993 to bring to justice perpetrators of terrorist acts against United States citizens as listed in the report.

(7) A list of any terrorist suspects in these cases who are members of Palestinian police or security forces, the Palestine Liberation Organization, or any Palestinian governing body.

(8) A list of all United States citizens killed or injured in terrorist attacks in Israel or in territory administered by Israel between 1950 and September 13, 1993, to include in each case, where such information is reasonably available, any stated claim of responsibility and the resolution or disposition of each case, except that this list shall be submitted only once with the initial report required under this section unless additional relevant information on these cases becomes available.

(b) CONSULTATION WITH OTHER DEPARTMENTS.—The Secretary of State shall, in preparing the report required by this section, consult and coordinate with all other Government officials who have information necessary to complete the report. Nothing contained in this section shall require the disclosure, on a classified or unclassified basis, of information that would jeopardize sensitive sources and methods or other vital national security interests or jeopardize ongoing criminal investigations or proceedings.

(c) INITIAL REPORT.—Except as provided in subsection (a)(8), the initial report filed under this section shall cover the period between September 13, 1993 and the date of the report.

SEC. 806. ANNUAL REPORTING ON WAR CRIMES, CRIMES AGAINST HUMANITY, AND GENOCIDE.

(a) SECTION 116 OF FOREIGN ASSISTANCE ACT OF 1961.—Section 116(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n(d)) is amended—

(1) in paragraph (6), by striking ''and'' at the end;

(2) in paragraph (7), by striking the period at the end and inserting ''and''; and

(3) by adding at the end the following:

''(8) wherever applicable, consolidated information regarding the commission of war crimes, crimes against humanity, and evidence of acts that may constitute genocide (as defined in article 2 of the Convention on the Prevention and Punishment of the Crime of Genocide and modified by the United States instrument of ratification to that convention and section 2(a) of the Genocide Convention Implementation Act of 1987).''.

(b) SECTION 502B OF THE FOREIGN ASSISTANCE ACT OF 1961.—Section 502B(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2304(b)) is amended by inserting after the first sentence the following: ''Wherever applicable, such report shall include consolidated information regarding the commission of war crimes, crimes against humanity, and evidence of acts that may constitute genocide (as defined in article 2 of the Convention on the Prevention and Punishment of the Crime of Genocide and modified by the United States instrument of ratification to that convention and section 2(a) of the Genocide Convention Implementation Act of 1987).''.

Subtitle B—North Korea Threat Reduction

SEC. 821. SHORT TITLE.

This subtitle may be cited as the ''North Korea Threat Reduction Act of 1999''.

SEC. 822. RESTRICTIONS ON NUCLEAR COOPERATION WITH NORTH KOREA.

(a) IN GENERAL.—Notwithstanding any other provision of law or any international agreement, no agreement for cooperation (as defined in sec. 11 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2014 b.)) between the United States and North Korea may become effective, no license may be issued for export directly or indirectly to North Korea of any nuclear material, facilities, components, or other goods, services, or technology that would be subject to such agreement, and no approval may be given for the transfer or retransfer directly or indirectly to North Korea of any nuclear material, facilities, components, or other goods, services, or technology that would be subject to such agreement, until the President determines and reports to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate that—

(1) North Korea has come into full compliance with its safeguards agreement with the IAEA (INFCIRC/403), and has taken all steps that have been deemed necessary by the IAEA in this regard;

(2) North Korea has permitted the IAEA full access to all additional sites and all information (including historical records) deemed necessary by the IAEA to verify the accuracy and completeness of North Korea's initial report of May 4, 1992, to the IAEA on all nuclear sites and material in North Korea;

(3) North Korea is in full compliance with its obligations under the Agreed Framework;

(4) North Korea has consistently taken steps to implement the Joint Declaration on Denuclearization, and is in full compliance with its obligations under numbered paragraphs 1, 2, and 3 of the Joint Declaration on Denuclearization (excluding in the case of numbered paragraph 3 facilities frozen pursuant to the Agreed Framework);

(5) North Korea does not have uranium enrichment or nuclear reprocessing facilities (excluding facilities frozen pursuant to the Agreed Framework), and is making no significant progress toward acquiring or developing such facilities;

(6) North Korea does not have nuclear weapons and is making no significant effort to acquire, develop, test, produce, or deploy such weapons; and

(7) the transfer to North Korea of key nuclear components, under the proposed agreement for cooperation with North Korea and in accordance with the Agreed Framework, is in the national interest of the United States.

(b) CONSTRUCTION.—The restrictions contained in subsection (a) shall apply in addition to all other applicable procedures, requirements, and restrictions contained in the Atomic Energy Act of 1954 and other laws.

SEC. 823. DEFINITIONS.

In this subtitle:

(1) AGREED FRAMEWORK.—The term ''Agreed Framework'' means the ''Agreed Framework Between the United States of America and the Democratic People's Republic of Korea'', signed in Geneva on October 21, 1994, and the Confidential Minute to that Agreement.

(2) IAEA.—The term ''IAEA'' means the International Atomic Energy Agency.

(3) NORTH KOREA.—The term ''North Korea'' means the Democratic People's Republic of Korea.

(4) JOINT DECLARATION ON DENUCLEARIZATION.—The term ''Joint Declaration on Denuclearization'' means the Joint Declaration on the Denuclearization of the Korean Peninsula, issued by the Republic of Korea and the Democratic People's Republic of Korea on January 1, 1992.

Subtitle C—People's Republic of China

SEC. 871. FINDINGS.

Congress makes the following findings:

(1) Congress concurs in the conclusions of the Department of State, as set forth in the Country Reports on Human Rights Practices for 1998, on human rights in the People's Republic of China in 1998 as follows:

(A) ''The People's Republic of China (PRC) is an authoritarian state in which the Chinese Communist Party (CCP) is the paramount source of power. . . . Citizens lack both the freedom peacefully to express opposition to the party-led political system and the right to change their national leaders or form of government.''.

(B) ''The Government continued to commit widespread and well-documented human rights abuses, in violation of internationally accepted norms. These abuses stemmed from the authorities' very limited tolerance of public dissent aimed at the Government, fear of unrest, and the limited scope or inadequate implementation of laws protecting basic freedoms.''.

(C) ''Abuses included instances of extrajudicial killings, torture and mistreatment of prisoners, forced confessions, arbitrary arrest and detention, lengthy incommunicado detention, and denial of due process.''.

(D) ''Prison conditions at most facilities remained harsh. . . . The Government infringed on citizens' privacy rights. The Government continued restrictions on freedom of speech and of the press, and tightened these toward the end of the year. The Government severely restricted freedom of assembly, and continued to restrict freedom of association, religion, and movement.''.

(E) ''Discrimination against women, minorities, and the disabled; violence against women, including coercive family planning practices—which sometimes include forced abortion and forced sterilization; prostitution, trafficking in women and children, and the abuse of children all are problems.''.

(F) ''The Government continued to restrict tightly worker rights, and forced labor remains a problem.''.

(G) ''Serious human rights abuses persisted in minority areas, including Tibet and Xinjiang, where restrictions on religion and other fundamental freedoms intensified.''.

(H) ''Unapproved religious groups, including Protestant and Catholic groups, continued to experience varying degrees of official interference and repression.''.

(I) ''Although the Government denies that it holds political or religious prisoners, and argues that all those in prison are legitimately serving sentences for crimes under the law, an unknown number of persons, estimated at several thousand, are detained in violation of international human rights instruments for peacefully expressing their political, religious, or social views.''.

(2) In addition to the State Department, credible press reports and human rights organizations have documented an intense crackdown on political activists by the Government of the People's Republic of China, involving the harassment, detainment, arrest, and imprisonment of dozens of activists.

(3) The People's Republic of China, as a member of the United Nations, is expected to abide by the provisions of the Universal Declaration of Human Rights.

(4) The People's Republic of China is a party to numerous international human rights conventions, including the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, and is a signatory to the International Covenant on Civil and Political Rights and the Covenant on Economic, Social, and Cultural Rights.

SEC. 872. FUNDING FOR ADDITIONAL PERSONNEL AT DIPLOMATIC POSTS TO REPORT ON POLITICAL, ECONOMIC, AND HUMAN RIGHTS MATTERS IN THE PEOPLE'S REPUBLIC OF CHINA.

Of the amounts authorized to be appropriated for the Department of State by this Act, $2,200,000 for fiscal year 2000 and $2,200,000 for fiscal year 2001 shall be made available only to support additional personnel in the United States Embassies in Beijing and Kathmandu, as well as the American consulates in Guangzhou, Shanghai, Shenyang, Chengdu, and Hong Kong, in order to monitor political and social conditions, with particular emphasis on respect for, and violations of, internationally recognized human rights, in the People's Republic of China.

SEC. 873. PRISONER INFORMATION REGISTRY FOR THE PEOPLE'S REPUBLIC OF CHINA.

(a) REQUIREMENT.—The Secretary of State shall establish and maintain a registry which shall, to the extent practicable, provide information on all political prisoners, prisoners of conscience, and prisoners of faith in the People's Republic of China. The registry shall be known as the ''Prisoner Information Registry for the People's Republic of China''.

(b) INFORMATION IN REGISTRY.—The registry required by subsection (a) shall include information on the charges, judicial processes, administrative actions, uses of forced labor, incidents of torture, lengths of imprisonment, physical and health conditions, and other matters associated with the incarceration of prisoners in the People's Republic of China referred to in that subsection.

(c) AVAILABILITY OF FUNDS.—The Secretary may make a grant to nongovernmental organizations currently engaged in monitoring activities regarding political prisoners in the People's Republic of China in order to assist in the establishment and maintenance of the registry required by subsection (a).

TITLE IX—ARREARS PAYMENTS AND REFORM

Subtitle A—General Provisions

SEC. 901. SHORT TITLE.

This title may be cited as the ''United Nations Reform Act of 1999''.

SEC. 902. DEFINITIONS.

In this title:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

(2) DESIGNATED SPECIALIZED AGENCY DEFINED.—The term ''designated specialized agency'' means the International Labor Organization, the World Health Organization, and the Food and Agriculture Organization.

(3) GENERAL ASSEMBLY.—The term ''General Assembly'' means the General Assembly of the United Nations.

(4) SECRETARY GENERAL.—The term ''Secretary General'' means the Secretary General of the United Nations.

(5) SECURITY COUNCIL.—The term ''Security Council'' means the Security Council of the United Nations.

(6) UNITED NATIONS MEMBER.—The term ''United Nations member'' means any country that is a member of the United Nations.

(7) UNITED NATIONS PEACEKEEPING OPERATION.—The term ''United Nations peacekeeping operation'' means any United Nations-led operation to maintain or restore international peace or security that—

(A) is authorized by the Security Council; and

(B) is paid for from assessed contributions of United Nations members that are made available for peacekeeping activities.

Subtitle B—Arrearages to the United Nations

CHAPTER 1—AUTHORIZATION OF APPROPRIATIONS; OBLIGATION AND EXPENDITURE OF FUNDS

SEC. 911. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION.—

(1) FISCAL YEAR 1998.—

(A) REGULAR ASSESSMENTS.—Amounts appropriated by title IV of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998 (Public Law 105–119), under the heading ''Contributions to International Organizations'', are hereby authorized to be appropriated and shall be available for obligation and expenditure subject to the provisions of this title.

(B) PEACEKEEPING ASSESSMENTS.—Amounts appropriated by title IV of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998 (Public Law 105–119), under the heading ''Contributions for International Peacekeeping Activities'', are hereby authorized to be appropriated and shall be available for obligation and expenditure subject to the provisions of this title.

(2) FISCAL YEAR 1999.—Amounts appropriated under the heading ''Arrearage Payments'' in title IV of the Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1999 (as contained in section 101(b) of division A of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105–277), are hereby authorized to be appropriated and shall be available for obligation and expenditure subject to the provisions of this title.

(3) FISCAL YEAR 2000.—There are authorized to be appropriated to the Department of State for payment of arrearages owed by the United States described in subsection (b) as of September 30, 1997, $244,000,000 for fiscal year 2000. Amounts appropriated pursuant to this paragraph shall be available for obligation and expenditure subject to the provisions of this title.

(b) LIMITATION.—Amounts made available under subsection (a) are authorized to be available only—

(1) to pay the United States share of assessments for the regular budget of the United Nations;

(2) to pay the United States share of United Nations peacekeeping operations;

(3) to pay the United States share of United Nations specialized agencies; and

(4) to pay the United States share of other international organizations.

(c) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to subsection (a) are authorized to remain available until expended.

(d) STATUTORY CONSTRUCTION.—For purposes of payments made using funds made available under subsection (a), section 404(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236) shall not apply to United Nations peacekeeping operation assessments received by the United States prior to October 1, 1995.

SEC. 912. OBLIGATION AND EXPENDITURE OF FUNDS.

(a) IN GENERAL.—Funds made available pursuant to section 911 may be obligated and expended only if the requirements of subsections (b) and (c) of this section are satisfied.

(b) OBLIGATION AND EXPENDITURE UPON SATISFACTION OF CERTIFICATION REQUIREMENTS.—Subject to subsections (e) and (f), funds made available pursuant to section 911 may be obligated and expended only in the following allotments and upon the following certifications:

(1) Amounts made available for fiscal year 1998, upon the certification described in section 921.

(2) Amounts made available for fiscal year 1999, upon the certification described in section 931.

(3) Amounts authorized to be appropriated for fiscal year 2000, upon the certification described in section 941.

(c) ADVANCE CONGRESSIONAL NOTIFICATION.—Funds made available pursuant to section 911 may be obligated and expended only if the appropriate certification has been submitted to the appropriate congressional committees 30 days prior to the payment of the funds.

(d) TRANSMITTAL OF CERTIFICATIONS.—Certifications made under this chapter shall be transmitted by the Secretary of State to the appropriate congressional committees.

(e) WAIVER AUTHORITY WITH RESPECT TO FISCAL YEAR 1999 FUNDS.—

(1) IN GENERAL.—Subject to paragraph (3) and notwithstanding subsection (b), funds made available under section 911 for fiscal year 1999 may be obligated or expended pursuant to subsection (b)(2) even if the Secretary of State cannot certify that the condition described in section 931(b)(1) has been satisfied.

(2) REQUIREMENTS.—

(A) IN GENERAL.—The authority to waive the condition described in paragraph (1) of this subsection may be exercised only if the Secretary of State—

(i) determines that substantial progress towards satisfying the condition has been made and that the expenditure of funds pursuant to that paragraph is important to the interests of the United States; and

(ii) has notified, and consulted with, the appropriate congressional committees prior to exercising the authority.

(B) EFFECT ON SUBSEQUENT CERTIFICATION.—If the Secretary of State exercises the authority of paragraph (1), the condition described in that paragraph shall be deemed to have been satisfied for purposes of making any certification under section 941.

(3) ADDITIONAL REQUIREMENT.—If the authority to waive a condition under paragraph (1)(A) is exercised, the Secretary of State shall notify the United Nations that the Congress does not consider the United States obligated to pay, and does not intend to pay, arrearages that have not been included in the contested arrearages account or other mechanism described in section 931(b)(1).

(f) WAIVER AUTHORITY WITH RESPECT TO FISCAL YEAR 2000 FUNDS.—

(1) IN GENERAL.—Subject to paragraph (2) and notwithstanding subsection (b), funds made available under section 911 for fiscal year 2000 may be obligated or expended pursuant to subsection (b)(3) even if the Secretary of State cannot certify that the condition described in paragraph (1) of section 941(b) has been satisfied.

(2) REQUIREMENTS.—

(A) IN GENERAL.—The authority to waive a condition under paragraph (1) may be exercised only if the Secretary of State has notified, and consulted with, the appropriate congressional committees prior to exercising the authority.

(B) EFFECT ON SUBSEQUENT CERTIFICATION.—If the Secretary of State exercises the authority of paragraph (1) with respect to a condition, such condition shall be deemed to have been satisfied for purposes of making any certification under section 941.

SEC. 913. FORGIVENESS OF AMOUNTS OWED BY THE UNITED NATIONS TO THE UNITED STATES.

(a) FORGIVENESS OF INDEBTEDNESS.—Subject to subsection (b), the President is authorized to forgive or reduce any amount owed by the United Nations to the United States as a reimbursement, including any reimbursement payable under the Foreign Assistance Act of 1961 or the United Nations Participation Act of 1945.

(b) LIMITATIONS.—

(1) TOTAL AMOUNT.—The total of amounts forgiven or reduced under subsection (a) may not exceed $107,000,000.

(2) RELATION TO UNITED STATES ARREARAGES.—Amounts shall be forgiven or reduced under this section only to the same extent as the United Nations forgives or reduces amounts owed by the United States to the United Nations as of September 30, 1997.

(c) REQUIREMENTS.—The authority in subsection (a) shall be available only to the extent and in the amounts provided in advance in appropriations Acts.

(d) CONGRESSIONAL NOTIFICATION.—Before exercising any authority in subsection (a), the President shall notify the appropriate congressional committees in accordance with the same procedures as are applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394–1).

(e) EFFECTIVE DATE.—This section shall take effect on the date a certification is transmitted to the appropriate congressional committees under section 931.

CHAPTER 2—UNITED STATES SOVEREIGNTY

SEC. 921. CERTIFICATION REQUIREMENTS.

(a) CONTENTS OF CERTIFICATION.—A certification described in this section is a certification by the Secretary of State that the following conditions are satisfied:

(1) SUPREMACY OF THE UNITED STATES CONSTITUTION.—No action has been taken by the United Nations or any of its specialized or affiliated agencies that requires the United States to violate the United States Constitution or any law of the United States.

(2) NO UNITED NATIONS SOVEREIGNTY.—Neither the United Nations nor any of its specialized or affiliated agencies—

(A) has exercised sovereignty over the United States; or

(B) has taken any steps that require the United States to cede sovereignty.

(3) NO UNITED NATIONS TAXATION.—

(A) NO LEGAL AUTHORITY.—Except as provided in subparagraph (D), neither the United Nations nor any of its specialized or affiliated agencies has the authority under United States law to impose taxes or fees on United States nationals.

(B) NO TAXES OR FEES.—Except as provided in subparagraph (D), a tax or fee has not been imposed on any United States national by the United Nations or any of its specialized or affiliated agencies.

(C) NO TAXATION PROPOSALS.—Except as provided in subparagraph (D), neither the United Nations nor any of its specialized or affiliated agencies has, on or after October 1, 1996, officially approved any formal effort to develop, advocate, or promote any proposal concerning the

imposition of a tax or fee on any United States national in order to raise revenue for the United Nations or any such agency.

(D) EXCEPTION.—This paragraph does not apply to—

(i) fees for publications or other kinds of fees that are not tantamount to a tax on United States citizens;

(ii) the World Intellectual Property Organization; or

(iii) the staff assessment costs of the United Nations and its specialized or affiliated agencies.

(4) NO STANDING ARMY.—The United Nations has not, on or after October 1, 1996, budgeted any funds for, nor taken any official steps to develop, create, or establish any special agreement under Article 43 of the United Nations Charter to make available to the United Nations, on its call, the armed forces of any member of the United Nations.

(5) NO INTEREST FEES.—The United Nations has not, on or after October 1, 1996, levied interest penalties against the United States or any interest on arrearages on the annual assessment of the United States, and neither the United Nations nor its specialized agencies have, on or after October 1, 1996, amended their financial regulations or taken any other action that would permit interest penalties to be levied against the United States or otherwise charge the United States any interest on arrearages on its annual assessment.

(6) UNITED STATES REAL PROPERTY RIGHTS.—Neither the United Nations nor any of its specialized or affiliated agencies has exercised authority or control over any United States national park, wildlife preserve, monument, or real property, nor has the United Nations nor any of its specialized or affiliated agencies implemented plans, regulations, programs, or agreements that exercise control or authority over the private real property of United States citizens located in the United States without the approval of the property owner.

(7) TERMINATION OF BORROWING AUTHORITY.—

(A) PROHIBITION ON AUTHORIZATION OF EXTERNAL BORROWING.—On or after the date of enactment of this Act, neither the United Nations nor any specialized agency of the United Nations has amended its financial regulations to permit external borrowing.

(B) PROHIBITION OF UNITED STATES PAYMENT OF INTEREST COSTS.—The United States has not, on or after October 1, 1984, paid its share of any interest costs made known to or identified by the United States Government for loans incurred, on or after October 1, 1984, by the United Nations or any specialized agency of the United Nations through external borrowing.

(b) TRANSMITTAL.—The Secretary of State may transmit a certification under subsection (a) at any time during fiscal year 1998 or thereafter if the requirements of the certification are satisfied.

CHAPTER 3—REFORM OF ASSESSMENTS AND UNITED NATIONS PEACEKEEPING OPERATIONS

SEC. 931. CERTIFICATION REQUIREMENTS.

(a) IN GENERAL.—A certification described in this section is a certification by the Secretary of State that the conditions in subsection (b) are satisfied. Such certification shall not be made by the Secretary if the Secretary determines that any of the conditions set forth in section 921 are no longer satisfied.

(b) CONDITIONS.—The conditions under this subsection are the following:

(1) CONTESTED ARREARAGES.—The United Nations has established an account or other appropriate mechanism with respect to all United States arrearages incurred before the date of enactment of this Act with respect to which payments are not authorized by this Act, and the failure to pay amounts specified in the account does not affect the application of Article 19 of the Charter of the United Nations. The account established under this paragraph may be referred to as the ''contested arrearages account''.

(2) LIMITATION ON ASSESSED SHARE OF BUDGET FOR UNITED NATIONS PEACEKEEPING OPERATIONS.—The assessed share of the budget for each assessed United Nations peacekeeping operation does not exceed 25 percent for any single United Nations member.

(3) LIMITATION ON ASSESSED SHARE OF REGULAR BUDGET.—The share of the total of all assessed contributions for the regular budget of the United Nations does not exceed 22 percent for any single United Nations member.

CHAPTER 4—BUDGET AND PERSONNEL REFORM

SEC. 941. CERTIFICATION REQUIREMENTS.

(a) IN GENERAL.—

(1) IN GENERAL.—Except as provided in paragraph (2), a certification described in this section is a certification by the Secretary of State that the conditions in subsection (b) are satisfied.

(2) SPECIFIED CERTIFICATION.—A certification described in this section is also a certification that, with respect to the United Nations or a particular designated specialized agency, the conditions in subsection (b)(4) applicable to that organization are satisfied, regardless of whether the conditions in subsection (b)(4) applicable to any other organization are satisfied, if the other conditions in subsection (b) are satisfied.

(3) EFFECT OF SPECIFIED CERTIFICATION.—Funds made available under section 912(b)(3) upon a certification made under this section with respect to the United Nations or a particular designated specialized agency shall be limited to that portion of the funds available under that section that is allocated for the organization with respect to which the certification is made and for any other organization to which none of the conditions in subsection (b) apply.

(4) LIMITATION.—A certification described in this section shall not be made by the Secretary if the Secretary determines that any of the conditions set forth in sections 921 and 931 are no longer satisfied.

(b) CONDITIONS.—The conditions under this subsection are the following:

(1) LIMITATION ON ASSESSED SHARE OF REGULAR BUDGET.—The share of the total of all assessed contributions for the regular budget of the United Nations, or any designated specialized agency of the United Nations, does not exceed 20 percent for any single United Nations member.

(2) INSPECTORS GENERAL FOR CERTAIN ORGANIZATIONS.—

(A) ESTABLISHMENT OF OFFICES.—Each designated specialized agency has established an independent office of inspector general to conduct and supervise objective audits, inspections, and investigations relating to the programs and operations of the organization.

(B) APPOINTMENT OF INSPECTORS GENERAL.—The Director General of each designated specialized agency has appointed an inspector general, with the approval of the member states, and that appointment was made principally on the basis of the appointee's integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations.

(C) ASSIGNED FUNCTIONS.—Each inspector general appointed under subparagraph (A) is authorized to—

(i) make investigations and reports relating to the administration of the programs and operations of the agency concerned;

(ii) have access to all records, documents, and other available materials relating to those programs and operations of the agency concerned; and

(iii) have direct and prompt access to any official of the agency concerned.

(D) COMPLAINTS.—Each designated specialized agency has procedures in place designed to protect the identity of, and to prevent reprisals against, any staff member making a complaint or disclosing information to, or cooperating in any investigation or inspection by, the inspector general of the agency.

(E) COMPLIANCE WITH RECOMMENDATIONS.—Each designated specialized agency has in place procedures designed to ensure compliance with the recommendations of the inspector general of the agency.

(F) AVAILABILITY OF REPORTS.—Each designated specialized agency has in place procedures to ensure that all annual and other relevant reports submitted by the inspector general to the agency are made available to the member states without modification except to the extent necessary to protect the privacy rights of individuals.

(3) NEW BUDGET PROCEDURES FOR THE UNITED NATIONS.—The United Nations has established and is implementing budget procedures that—

(A) require the maintenance of a budget not in excess of the level agreed to by the General Assembly at the beginning of each United Nations budgetary biennium, unless increases are agreed to by consensus; and

(B) require the system-wide identification of expenditures by functional categories such as personnel, travel, and equipment.

(4) SUNSET POLICY FOR CERTAIN UNITED NATIONS PROGRAMS.—

(A) EXISTING AUTHORITY.—The Secretary General and the Director General of each designated specialized agency have used their existing authorities to require program managers within the United Nations Secretariat and the Secretariats of the designated specialized agencies to conduct evaluations of United Nations programs approved by the General Assembly, and of programs of the designated specialized agencies, in accordance with the standardized methodology referred to in subparagraph (B).

(B) DEVELOPMENT OF EVALUATION CRITERIA.—

(i) UNITED NATIONS.—The Office of Internal Oversight Services has developed a standardized methodology for the evaluation of United Nations programs approved by the General Assembly, including specific criteria for determining the continuing relevance and effectiveness of the programs.

(ii) DESIGNATED SPECIALIZED AGENCIES.—Patterned on the work of the Office of Internal Oversight Services of the United Nations, each designated specialized agency has developed a standardized methodology for the evaluation of the programs of the agency, including specific criteria for determining the continuing relevance and effectiveness of the programs.

(C) PROCEDURES.—Consistent with the July 16, 1997, recommendations of the Secretary General regarding a sunset policy and results-based budgeting for United Nations programs, the United Nations and each designated specialized agency has established and is implementing procedures—

(i) requiring the Secretary General or the Director General of the agency, as the case may be, to report on the results of evaluations referred to in this paragraph, including the identification of programs that have met criteria for continuing relevance and effectiveness and proposals to terminate or modify programs that have not met such criteria; and

(ii) authorizing an appropriate body within the United Nations or the agency, as the case may be, to review each evaluation referred to in this paragraph and report to the General Assembly on means of improving the program concerned or on terminating the program.

(D) UNITED STATES POLICY.—It shall be the policy of the United States to seek adoption by the United Nations of a resolution requiring that each United Nations program approved by the General Assembly, and to seek adoption by each designated specialized agency of a resolution requiring that each program of the agency, be subject to an evaluation referred to in this paragraph and have a specific termination date so that the program will not be renewed unless

the evaluation demonstrates the continuing relevance and effectiveness of the program.

(E) DEFINITION.—For purposes of this paragraph, the term ''United Nations program approved by the General Assembly'' means a program approved by the General Assembly of the United Nations which is administered or funded by the United Nations.

(5) UNITED NATIONS ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS.—

(A) IN GENERAL.—The United States has a seat on the United Nations Advisory Committee on Administrative and Budgetary Questions or the five largest member contributors each have a seat on the Advisory Committee.

(B) DEFINITION.—As used in this paragraph, the term ''5 largest member contributors'' means the 5 United Nations member states that, during a United Nations budgetary biennium, have more total assessed contributions than any other United Nations member state to the aggregate of the United Nations regular budget and the budget (or budgets) for United Nations peacekeeping operations.

(6) ACCESS BY THE GENERAL ACCOUNTING OFFICE.—The United Nations has in effect procedures providing access by the United States General Accounting Office to United Nations financial data to assist the Office in performing nationally mandated reviews of United Nations operations.

(7) PERSONNEL.—

(A) APPOINTMENT AND SERVICE OF PERSONNEL.—The Secretary General—

(i) has established and is implementing procedures that ensure that staff employed by the United Nations is appointed on the basis of merit consistent with Article 101 of the United Nations Charter; and

(ii) is enforcing those contractual obligations requiring worldwide availability of all professional staff of the United Nations to serve and be relocated based on the needs of the United Nations.

(B) CODE OF CONDUCT.—The General Assembly has adopted, and the Secretary General has the authority to enforce and is effectively enforcing, a code of conduct binding on all United Nations personnel, including the requirement of financial disclosure statements binding on senior United Nations personnel and the establishment of rules against nepotism that are binding on all United Nations personnel.

(C) PERSONNEL EVALUATION SYSTEM.—The United Nations has adopted and is enforcing a personnel evaluation system.

(D) PERIODIC ASSESSMENTS.—The United Nations has established and is implementing a mechanism to conduct periodic assessments of the United Nations payroll to determine total staffing, and the results of such assessments are reported in an unabridged form to the General Assembly.

(E) REVIEW OF UNITED NATIONS ALLOWANCE SYSTEM.—The United States has completed a thorough review of the United Nations personnel allowance system. The review shall include a comparison of that system with the United States civil service system, and shall make recommendations to reduce entitlements to allowances and allowance funding levels from the levels in effect on January 1, 1998.

(8) REDUCTION IN BUDGET AUTHORITIES.—The designated specialized agencies have achieved zero nominal growth in their biennium budgets for 2000–01 from the 1998–99 biennium budget levels of the respective agencies.

(9) NEW BUDGET PROCEDURES AND FINANCIAL REGULATIONS.—Each designated specialized agency has established procedures to—

(A) require the maintenance of a budget that does not exceed the level agreed to by the member states of the organization at the beginning of each budgetary biennium, unless increases are agreed to by consensus;

(B) require the identification of expenditures by functional categories such as personnel, travel, and equipment; and

(C) require approval by the member states of the agency's supplemental budget requests to the Secretariat in advance of expenditures under those requests.

(10) LIMITATION ON ASSESSED SHARE OF REGULAR BUDGET FOR THE DESIGNATED SPECIALIZED AGENCIES.—The share of the total of all assessed contributions for any designated specialized agency does not exceed 22 percent for any single member of the agency.

Subtitle C—Miscellaneous Provisions

SEC. 951. STATUTORY CONSTRUCTION ON RELATION TO EXISTING LAWS.

Except as otherwise specifically provided, nothing in this title may be construed to make available funds in violation of any provision of law containing a specific prohibition or restriction on the use of the funds, including section 114 of the Department of State Authorization Act, Fiscal Years 1984 and 1985 (Public Law 98–164; 22 U.S.C. 287e note), section 151 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99–93; 22 U.S.C. 287e note), and section 404 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236; 22 U.S.C. 287e note).

SEC. 952. PROHIBITION ON PAYMENTS RELATING TO UNIDO AND OTHER INTERNATIONAL ORGANIZATIONS FROM WHICH THE UNITED STATES HAS WITHDRAWN OR RESCINDED FUNDING.

None of the funds authorized to be appropriated by this title shall be used to pay any arrearage for—

(1) the United Nations Industrial Development Organization;

(2) any costs to merge that organization into the United Nations;

(3) the costs associated with any other organization of the United Nations from which the United States has withdrawn including the costs of the merger of such organization into the United Nations; or

(4) the World Tourism Organization, or any other international organization with respect to which Congress has rescinded funding.

DIVISION B—ARMS CONTROL, NONPROLIFERATION, AND SECURITY ASSISTANCE PROVISIONS

SEC. 1001. SHORT TITLE.

This division may be cited as the ''Arms Control, Nonproliferation, and Security Assistance Act of 1999''.

TITLE XI—ARMS CONTROL AND NONPROLIFERATION

SEC. 1101. SHORT TITLE.

This title may be cited as the ''Arms Control and Nonproliferation Act of 1999''.

SEC. 1102. DEFINITIONS.

In this title:

(1) APPROPRIATE COMMITTEES OF CONGRESS.—The term ''appropriate committees of Congress'' means the Committee on International Relations and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate.

(2) ASSISTANT SECRETARY.—The term ''Assistant Secretary'' means the position of Assistant Secretary of State for Verification and Compliance designated under section 1112.

(3) EXECUTIVE AGENCY.—The term ''Executive agency'' has the meaning given the term in section 105 of title 5, United States Code.

(4) INTELLIGENCE COMMUNITY.—The term ''intelligence community'' has the meaning given the term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

(5) START TREATY OR TREATY.—The term ''START Treaty'' or ''Treaty'' means the Treaty With the Union of Soviet Socialist Republics on the Reduction and Limitation of Strategic Offensive Arms, including all agreed statements, annexes, protocols, and memoranda, signed at Moscow on July 31, 1991.

(6) START II TREATY.—The term ''START II Treaty'' means the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms, and related protocols and memorandum of understanding, signed at Moscow on January 3, 1993.

Subtitle A—Arms Control

CHAPTER 1—EFFECTIVE VERIFICATION OF COMPLIANCE WITH ARMS CONTROL AGREEMENTS

SEC. 1111. KEY VERIFICATION ASSETS FUND.

(a) IN GENERAL.—The Secretary of State is authorized to transfer funds available to the Department of State under this section to the Department of Defense, the Department of Energy, or any agency, entity, or component of the intelligence community, as needed, for retaining, researching, developing, or acquiring technologies or programs relating to the verification of arms control, nonproliferation, and disarmament agreements or commitments.

(b) PROHIBITION ON REPROGRAMMING.—Notwithstanding any other provision of law, funds made available to carry out this section may not be used for any purpose other than the purposes specified in subsection (a).

(c) FUNDING.—Of the total amount of funds authorized to be appropriated to the Department of State by this Act for the fiscal years 2000 and 2001, $5,000,000 is authorized to be available for each such fiscal year to carry out subsection (a).

(d) DESIGNATION OF FUND.—Amounts made available under subsection (c) may be referred to as the ''Key Verification Assets Fund''.

SEC. 1112. ASSISTANT SECRETARY OF STATE FOR VERIFICATION AND COMPLIANCE.

(a) DESIGNATION OF POSITION.—The Secretary of State shall designate one of the Assistant Secretaries of State authorized by section 1(c)(1) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(c)(1)) as the Assistant Secretary of State for Verification and Compliance. The Assistant Secretary shall report to the Under Secretary of State for Arms Control and International Security.

(b) DIRECTIVE GOVERNING THE ASSISTANT SECRETARY OF STATE.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary of State shall issue a directive governing the position of the Assistant Secretary.

(2) ELEMENTS OF THE DIRECTIVE.—The directive issued under paragraph (1) shall set forth, consistent with this section—

(A) the duties of the Assistant Secretary;

(B) the relationships between the Assistant Secretary and other officials of the Department of State;

(C) any delegation of authority from the Secretary of State to the Assistant Secretary; and

(D) such matters as the Secretary considers appropriate.

(c) DUTIES.—

(1) IN GENERAL.—The Assistant Secretary shall have as his principal responsibility the overall supervision (including oversight of policy and resources) within the Department of State of all matters relating to verification and compliance with international arms control, nonproliferation, and disarmament agreements or commitments.

(2) PARTICIPATION OF THE ASSISTANT SECRETARY.—

(A) PRIMARY ROLE.—Except as provided in subparagraphs (B) and (C), the Assistant Secretary, or his designee, shall participate in all interagency groups or organizations within the executive branch of Government that assess, analyze, or review United States planned or ongoing policies, programs, or actions that have a direct bearing on verification or compliance matters, including interagency intelligence committees concerned with the development or exploitation of measurement or signals intelligence or other national technical means of verification.

(B) REQUIREMENT FOR DESIGNATION.—Subparagraph (A) shall not apply to groups or organizations on which the Secretary of State or the Undersecretary of State for Arms Control and International Security sits, unless such official designates the Assistant Secretary to attend in his stead.

(C) NATIONAL SECURITY LIMITATION.—

(i) WAIVER BY PRESIDENT.—The President may waive the provisions of subparagraph (A) if inclusion of the Assistant Secretary would not be in the national security interests of the United States.

(ii) WAIVER BY OTHERS.—With respect to an interagency group or organization, or meeting thereof, working with exceptionally sensitive information contained in compartments under the control of the Director of Central Intelligence, the Secretary of Defense, or the Secretary of Energy, such Director or Secretary, as the case may be, may waive the provision of subparagraph (A) if inclusion of the Assistant Secretary would not be in the national security interests of the United States.

(iii) TRANSMISSION OF WAIVER TO CONGRESS.—Any waiver of participation under clause (i) or (ii) shall be transmitted in writing to the appropriate committees of Congress.

(3) RELATIONSHIP TO THE INTELLIGENCE COMMUNITY.—The Assistant Secretary shall be the principal policy community representative to the intelligence community on verification and compliance matters.

(4) REPORTING RESPONSIBILITIES.—The Assistant Secretary shall have responsibility within the Department of State for—

(A) all reports required pursuant to section 306 of the Arms Control and Disarmament Act (22 U.S.C. 2577);

(B) so much of the report required under paragraphs (4) through (6) of section 403(a) of the Arms Control and Disarmament Act (22 U.S.C. 2593a(a)(4) through (6)) as relates to verification or compliance matters; and

(C) other reports being prepared by the Department of State as of the date of enactment of this Act relating to arms control, nonproliferation, or disarmament verification or compliance matters.

SEC. 1113. ENHANCED ANNUAL ("PELL") REPORT.

(a) ANNUAL REPORT.—Section 403(a) of the Arms Control and Disarmament Act (22 U.S.C. 2593a(a)) is amended—

(1) in paragraph (4)—

(A) by inserting ''or commitments, including the Missile Technology Control Regime,'' after ''agreements'' the first time it appears;

(B) by inserting ''or commitments'' after ''agreements'' the second time it appears;

(C) by inserting ''or commitment'' after ''agreement''; and

(D) by striking ''and'' at the end;

(2) by striking the period at the end of paragraph (5) and inserting ''; and''; and

(3) by adding at the end the following:

''(6) a specific identification, to the maximum extent practicable in unclassified form, of each and every question that exists with respect to compliance by other countries with arms control, nonproliferation, and disarmament agreements with the United States.''.

(b) ADDITIONAL REQUIREMENT.—Section 403 of the Arms Control and Disarmament Act (22 U.S.C. 2593a) is amended by adding at the end the following:

''(d) Each report required by this section shall include a discussion of each significant issue described in subsection (a)(6) that was contained in a previous report issued under this section during 1995, or after December 31, 1995, until the question or concern has been resolved and such resolution has been reported in detail to the appropriate committees of Congress (as defined in section 1102(1) of the Arms Control, Non-Proliferation, and Security Assistance Act of 1999).''.

SEC. 1114. REPORT ON START AND START II TREATIES MONITORING ISSUES.

(a) REPORT.—Not later than 180 days after the date of enactment of this Act, the Director of Central Intelligence shall submit to the appropriate committees of Congress a detailed report in classified form. Such report shall include the following:

(1) A comprehensive identification of all monitoring activities associated with the START Treaty and the START II Treaty.

(2) The specific intelligence community assets and capabilities, including analytical capabilities, that the Senate was informed, prior to the Senate giving its advice and consent to ratification of the treaties, would be necessary to accomplish those activities.

(3) An identification of the extent to which those assets and capabilities have, or have not, been attained or retained, and the corresponding effect this has had upon United States monitoring confidence levels.

(4) An assessment of any Russian activities relating to the START Treaty which have had an impact upon the ability of the United States to monitor Russian adherence to the Treaty.

(b) COMPARTMENTED ANNEX.—Exceptionally sensitive, compartmented information in the report required by this section may be provided in a compartmented annex submitted to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 1115. STANDARDS FOR VERIFICATION.

(a) VERIFICATION OF COMPLIANCE.—Section 306(a) of the Arms Control and Disarmament Act (22 U.S.C. 2577(a)) is amended in the matter preceding paragraph (1) by striking ''adequately''.

(b) ASSESSMENTS UPON REQUEST.—Section 306 of the Arms Control and Disarmament Act (22 U.S.C. 2577) is amended—

(1) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively; and

(2) by inserting after subsection (a) the following:

''(b) ASSESSMENTS UPON REQUEST.—Upon the request of the chairman or ranking minority member of the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House of Representatives, in case of an arms control, nonproliferation, or disarmament proposal presented to a foreign country by the United States or presented to the United States by a foreign country, the Secretary of State shall submit a report to the Committee on the degree to which elements of the proposal are capable of being verified.''.

SEC. 1116. CONTRIBUTION TO THE ADVANCEMENT OF SEISMOLOGY.

The United States Government shall, to the maximum extent practicable, make available to the public in real time, or as quickly as possible, all raw seismological data provided to the United States Government by any international organization that is directly responsible for seismological monitoring.

SEC. 1117. PROTECTION OF UNITED STATES COMPANIES.

(a) REIMBURSEMENT.—During the 2-year period beginning on the date of the enactment of this Act, the United States National Authority (as designated pursuant to section 101 of the Chemical Weapons Convention Implementation Act of 1998 (as contained in division I of Public Law 105–277)) shall, upon request of the Director of the Federal Bureau of Investigation, reimburse the Federal Bureau of Investigation for all costs incurred by the Bureau for such period in connection with implementation of section 303(b)(2)(A) of that Act, except that such reimbursement may not exceed $2,000,000 for such 2-year period.

(b) REPORT.—Not later than 180 days prior to the expiration of the 2-year period described in subsection (a), the Director of the Federal Bureau of Investigation shall prepare and submit to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate a report on how activities under section 303(b)(2)(A) of the Chemical Weapons Convention Implementation Act of 1998 will be fully funded and implemented by the Federal Bureau of Investigation notwithstanding the expiration of the 2-year period described in subsection (a).

SEC. 1118. REQUIREMENT FOR TRANSMITTAL OF SUMMARIES.

Whenever a United States delegation engaging in negotiations on arms control, nonproliferation, or disarmament submits to the Secretary of State a summary of the activities of the delegation or the status of those negotiations, a copy of each such summary shall be further transmitted by the Secretary of State to the Committee on Foreign Relations of the Senate and to the Committee on International Relations of the House of Representatives promptly.

CHAPTER 2—MATTERS RELATING TO THE CONTROL OF BIOLOGICAL WEAPONS

SEC. 1121. SHORT TITLE.

This chapter may be cited as the ''National Security and Corporate Fairness under the Biological Weapons Convention Act''.

SEC. 1122. DEFINITIONS.

In this chapter:

(1) BIOLOGICAL WEAPONS CONVENTION.—The term ''Biological Weapons Convention'' means the 1972 Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction.

(2) COMPLIANCE PROTOCOL.—The term ''compliance protocol'' means that segment of a bilateral or multilateral agreement that enables investigation of questions of compliance entailing written data or visits to facilities to monitor compliance.

(3) INDUSTRY.—The term ''industry'' means any corporate or private sector entity engaged in the research, development, production, import, and export of peaceful pharmaceuticals and bio-technological and related products.

SEC. 1123. FINDINGS.

Congress makes the following findings:

(1) The threat of biological weapons and their proliferation is one of the greatest national security threats facing the United States.

(2) The threat of biological weapons and materials represents a serious and increasing danger to people around the world.

(3) Biological weapons are relatively inexpensive to produce, can be made with readily available expertise and equipment, do not require much space to make and can therefore be readily concealed, do not require unusual raw materials or materials not readily available for legitimate purposes, do not require the maintenance of stockpiles, or can be delivered with low-technology mechanisms, and can effect widespread casualties even in small quantities.

(4) Unlike other weapons of mass destruction, biological materials capable of use as weapons can occur naturally in the environment and are also used for medicinal or other beneficial purposes.

(5) Biological weapons are morally reprehensible, prompting the United States Government to halt its offensive biological weapons program in 1969, subsequently destroy its entire biological weapons arsenal, and maintain henceforth only a robust defensive capacity.

(6) The Senate gave its advice and consent to ratification of the Biological Weapons Convention in 1974.

(7) The Director of the Arms Control and Disarmament Agency explained, at the time of the Senate's consideration of the Biological Weapons Convention, that the treaty contained no verification provisions because verification would be ''difficult''.

(8) A compliance protocol has now been proposed to strengthen the 1972 Biological Weapons Convention.

(9) The resources needed to produce, stockpile, and store biological weapons are the same as

those used in peaceful industry facilities to discover, develop, and produce medicines.

(10) The raw materials of biological agents are difficult to use as an indicator of an offensive military program because the same materials occur in nature or can be used to produce a wide variety of products.

(11) Some biological products are genetically manipulated to develop new commercial products, optimizing production and ensuring the integrity of the product, making it difficult to distinguish between legitimate commercial activities and offensive military activities.

(12) Only a small culture of a biological agent and some growth medium are needed to produce a large amount of biological agents with the potential for offensive purposes.

(13) The United States pharmaceutical and biotechnology industries are a national asset and resource that contribute to the health and well-being of the American public as well as citizens around the world.

(14) One bacterium strain can represent a large proportion of a company's investment in a pharmaceutical product and thus its potential loss during an arms control monitoring activity could conceivably be worth billions of dollars.

(15) Biological products contain proprietary genetic information.

(16) The proposed compliance regime for the Biological Weapons Convention entails new data reporting and investigation requirements for industry.

(17) A compliance regime which contributes to the control of biological weapons and materials must have a reasonable chance of success in reducing the risk of production, stockpiling, or use of biological weapons while protecting the reputations, intellectual property, and confidential business information of legitimate companies.

SEC. 1124. TRIAL INVESTIGATIONS AND TRIAL VISITS.

(a) NATIONAL SECURITY TRIAL INVESTIGATIONS AND TRIAL VISITS.—The President shall conduct a series of national security trial investigations and trial visits, both during and following negotiations to develop a compliance protocol to the Biological Weapons Convention, with the objective of ensuring that the compliance procedures of the protocol are effective and adequately protect the national security of the United States. These trial investigations and trial visits shall be conducted at such sites as United States Government facilities, installations, and national laboratories.

(b) UNITED STATES INDUSTRY TRIAL INVESTIGATIONS AND TRIAL VISITS.—The President shall take all appropriate steps to conduct or sponsor a series of United States industry trial investigations and trial visits, both during and following negotiations to develop a compliance protocol to the Biological Weapons Convention, with the objective of ensuring that the compliance procedures of the protocol are effective and adequately protect the national security and the concerns of affected United States industries and research institutions. These trial investigations and trial visits shall be conducted at such sites as academic institutions, vaccine production facilities, and pharmaceutical and biotechnology firms in the United States.

(c) PARTICIPATION BY DEFENSE DEPARTMENT AND OTHER APPROPRIATE PERSONNEL.—The Secretary of Defense and, as appropriate, the Director of the Federal Bureau of Investigation shall make available specialized personnel to participate—

(1) in each trial investigation or trial visit conducted pursuant to subsection (a); and

(2) in each trial investigation or trial visit conducted pursuant to subsection (b), except for any investigation or visit in which the host facility requests that such personnel not participate,

for the purpose of assessing the information security implications of such investigation or visit. The Secretary of Defense, in coordination with the Director of the Federal Bureau of Investigation, shall add to the report required by subsection (d)(2) a classified annex containing an assessment of the risk to proprietary and classified information posed by any investigation or visit procedures in the compliance protocol.

(d) STUDY.—

(1) IN GENERAL.—The President shall conduct a study on the need for investigations and visits under the compliance protocol to the Biological Weapons Convention, including—

(A) an assessment of risks to national security and United States industry and research institutions of such on-site activities; and

(B) an assessment of the monitoring results that can be expected from such investigations and visits.

(2) REPORT.—Not later than the date on which a compliance protocol to the Biological Weapons Convention is submitted to the Senate for its advice and consent to ratification, the President shall submit to the Committee on Foreign Relations of the Senate a report, in both unclassified and classified form, setting forth—

(A) the findings of the study conducted pursuant to paragraph (1); and

(B) the results of trial investigations and trial visits conducted pursuant to subsections (a) and (b).

Subtitle B—Nuclear Nonproliferation, Safety, and Related Matters

SEC. 1131. CONGRESSIONAL NOTIFICATION OF NONPROLIFERATION ACTIVITIES.

Section 602(c) of the Nuclear Non-Proliferation Act of 1978 (22 U.S.C. 3282(c)) is amended to read as follows:

''(c)(1) The Department of State, the Department of Defense, the Department of Commerce, the Department of Energy, the Commission, and, with regard to subparagraph (B), the Director of Central Intelligence, shall keep the Committees on Foreign Relations and Governmental Affairs of the Senate and the Committee on International Relations of the House of Representatives fully and currently informed with respect to—

''(A) their activities to carry out the purposes and policies of this Act and to otherwise prevent proliferation, including the proliferation of nuclear, chemical, or biological weapons, or their means of delivery; and

''(B) the current activities of foreign nations which are of significance from the proliferation standpoint.

''(2) For the purposes of this subsection with respect to paragraph (1)(B), the phrase 'fully and currently informed' means the transmittal of credible information not later than 60 days after becoming aware of the activity concerned.''.

SEC. 1132. EFFECTIVE USE OF RESOURCES FOR NONPROLIFERATION PROGRAMS.

(a) PROHIBITION.—Except as provided in subsection (b), no assistance may be provided by the United States Government to any person who is involved in the research, development, design, testing, or evaluation of chemical or biological weapons for offensive purposes.

(b) EXCEPTION.—The prohibition contained in subsection (a) shall not apply to any activity conducted pursuant to title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.).

SEC. 1133. DISPOSITION OF WEAPONS-GRADE MATERIAL.

(a) REPORT ON REDUCTION OF THE STOCKPILE.—Not later than 120 days after signing an agreement between the United States and Russia for the disposition of excess weapons plutonium, the Secretary of Energy, with the concurrence of the Secretary of Defense, shall submit to the Committee on Foreign Relations and the Committee on Armed Services of the Senate and to the Committee on International Relations and the Committee on Armed Services of the House of Representatives a report—

(1) detailing plans for United States implementation of such agreement;

(2) identifying, in classified form, the number of United States warhead ''pits'' of each type deemed ''excess'' for the purpose of dismantlement or disposition; and

(3) describing any implications this may have for the Stockpile Stewardship and Management Program.

(b) SUBMISSION OF THE FABRICATION FACILITY AGREEMENT PURSUANT TO LAW.—Whenever the President submits to Congress the agreement to establish a mixed oxide fuel fabrication or production facility in Russia pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153), it is the sense of the Congress that the Secretary of State should be prepared to certify to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House Representatives that—

(1) arrangements for the establishment of that facility will further United States nuclear nonproliferation objectives and will outweigh the proliferation risks inherent in the use of mixed oxide fuel elements;

(2) a guaranty has been given by Russia that no fuel elements produced, fabricated, reprocessed, or assembled at such facility, and no sensitive nuclear technology related to such facility, will be exported or supplied by Russia to any country in the event that the United States objects to such export or supply; and

(3) a guaranty has been given by Russia that the facility and all nuclear materials and equipment therein, and any fuel elements or special nuclear material produced, fabricated, reprocessed, or assembled at that facility, including fuel elements exported or supplied by Russia to a third party, will be subject to international monitoring and transparency sufficient to ensure that special nuclear material is not diverted.

(c) DEFINITIONS.—

(1) PRODUCED.—The terms ''produce'' and ''produced'' have the same meaning that such terms are given under section 11 u. of the Atomic Energy Act of 1954.

(2) PRODUCTION FACILITY.—The term ''production facility'' has the same meaning that such term is given under section 11 v. of the Atomic Energy Act of 1954.

(3) SPECIAL NUCLEAR MATERIAL.—The term ''special nuclear material'' has the meaning that such term is given under section 11 aa. of the Atomic Energy Act of 1954.

SEC. 1134. PROVISION OF CERTAIN INFORMATION TO CONGRESS.

(a) REQUIREMENT TO PROVIDE INFORMATION.—The head of each department and agency described in section 602(c) of the Nuclear Non-Proliferation Act of 1978 (22 U.S.C. 3282(c)) shall promptly provide information to the chairman and ranking minority member of the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives in meeting the requirements of subsection (c) or (d) of section 602 of such Act.

(b) ISSUANCE OF DIRECTIVES.—Not later than February 1, 2000, the Secretary of State, the Secretary of Defense, the Secretary of Commerce, the Secretary of Energy, the Director of Central Intelligence, and the Chairman of the Nuclear Regulatory Commission shall issue directives, which shall provide access to information, including information contained in special access programs, to implement their responsibilities under subsections (c) and (d) of section 602 of the Nuclear Non-Proliferation Act of 1978 (22 U.S.C. 3282(c) and (d)). Copies of such directives shall be forwarded promptly to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives upon the issuance of the directives.

SEC. 1135. AMENDED NUCLEAR EXPORT REPORTING REQUIREMENT.

Section 1523 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999

(Public Law 105–261; 112 Stat. 2180; 42 U.S.C. 2155 note) is amended—

(1) by striking ''Congress'' and inserting ''the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives''; and

(2) by adding at the end the following:

''(c) CONTENT OF NOTIFICATION.—The notification required pursuant to this section shall include—

''(1) a detailed description of the articles or services to be exported or reexported, including a brief description of the capabilities of any article to be exported or reexported;

''(2) an estimate of the number of officers and employees of the United States Government and of United States Government civilian contract personnel expected to be required in such country to carry out the proposed export or reexport;

''(3) the name of each licensee expected to provide the article or service proposed to be sold and a description from the licensee of any offset agreements proposed to be entered into in connection with such sale (if known on the date of transmittal of such statement);

''(4) the projected delivery dates of the articles or services to be exported or reexported; and

''(5) the extent to which the recipient country in the previous two years has engaged in any of the actions specified in subparagraph (A), (B), or (C) of section 129(2) of the Atomic Energy Act of 1954.

SEC. 1136. ADHERENCE TO THE MISSILE TECHNOLOGY CONTROL REGIME.

(a) CLARIFICATION OF REQUIREMENT FOR CONTROL.—Section 74 of the Arms Export Control Act (22 U.S.C. 2797c) is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''For purposes of''; and

(2) by adding at the end the following:

''(b) INTERNATIONAL UNDERSTANDING DEFINED.—For purposes of subsection (a)(3), as it relates to any international understanding concluded with the United States after January 1, 2000, the term 'international understanding' means—

''(1) any specific agreement by a country not to export, transfer, or otherwise engage in the trade of any MTCR equipment or technology that contributes to the acquisition, design, development, or production of missiles in a country that is not an MTCR adherent and would be, if it were United States-origin equipment or technology, subject to the jurisdiction of the United States under this Act; or

''(2) any specific understanding by a country that, notwithstanding section 73(b) of this Act, the United States retains the right to take the actions under section 73(a)(2) of this Act in the case of any export or transfer of any MTCR equipment or technology that contributes to the acquisition, design, development, or production of missiles in a country that is not an MTCR adherent and would be, if it were United States-origin equipment or technology, subject to the jurisdiction of the United States under this Act.''.

(b) CLARIFICATION OF APPLICABILITY.—Section 73(b) of the Arms Export Control Act (22 U.S.C. 2797b(b)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and moving such subparagraphs 2 ems to the right;

(2) by striking ''Subsection (a)'' and inserting the following:

''(1) IN GENERAL.—Except as provided in paragraph (2), subsection (a)''; and

(3) by adding at the end the following:

''(2) LIMITATION.—Notwithstanding paragraph (1), subsection (a) shall apply to an entity subordinate to a government that engages in exports or transfers described in section 498A(b)(3)(A) of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a(b)(3)(A)).''.

(c) ENFORCEMENT ACTIONS.—Section 73(c) of the Arms Export Control Act (22 U.S.C. 2797b(c)) is amended by inserting before the period at the end the following: '', and if the President certifies to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives that—

''(1) for any judicial or other enforcement action taken by the MTCR adherent, such action has—

''(A) been comprehensive; and

''(B) been performed to the satisfaction of the United States; and

''(2) with respect to any finding of innocence of wrongdoing, the United States is satisfied with the basis for such finding''.

(d) POLICY REPORT.—Section 73A of the Arms Export Control Act (22 U.S.C. 2797b–1) is amended—

(1) by striking ''Following any action'' and inserting the following:

''(a) POLICY REPORT.—Following any action''; and

(2) by adding at the end the following:

''(b) INTELLIGENCE ASSESSMENT REPORT.—At such times that a report is transmitted pursuant to subsection (a), the Director of Central Intelligence shall promptly prepare and submit to the Congress a separate report containing any credible information indicating that the country described in subsection (a) has engaged in any activity identified under subparagraph (A), (B), or (C) of section 73(a)(1) within the previous two years.''.

(e) MTCR DEFINED.—The term ''MTCR'' means the Missile Technology Control Regime, as defined in section 74(a)(2) of the Arms Export Control Act (22 U.S.C. 2797c(a)(2)).

SEC. 1137. AUTHORITY RELATING TO MTCR ADHERENTS.

Chapter 7 of the Arms Export Control Act (22 U.S.C. 2797 et seq.) is amended by inserting after section 73A the following new section:

''SEC. 73B. AUTHORITY RELATING TO MTCR ADHERENTS.

''Notwithstanding section 73(b), the President may take the actions under section 73(a)(2) under the circumstances described in section 74(b)(2).''.

SEC. 1138. TRANSFER OF FUNDING FOR SCIENCE AND TECHNOLOGY CENTERS IN THE FORMER SOVIET UNION.

(a) AUTHORIZATION.—For fiscal year 2001 and subsequent fiscal years, funds made available under ''Nonproliferation, Antiterrorism, Demining, and Related Programs'' accounts in annual foreign operations appropriations Acts are authorized to be available for science and technology centers in the independent states of the former Soviet Union assisted under section 503(a)(5) of the FREEDOM Support Act (22 U.S.C. 5853(a)(5)) or section 1412(b)(5) of the Former Soviet Union Demilitarization Act of 1992 (title XIV of Public Law 102–484; 22 U.S.C. 5901 et seq.), including the use of those and other funds by any Federal agency having expertise and programs related to the activities carried out by those centers, including the Departments of Agriculture, Commerce, and Health and Human Services and the Environmental Protection Agency.

(b) AVAILABILITY OF FUNDS.—Amounts made available under any provision of law for the activities described in subsection (a) shall be available until expended and may be used notwithstanding any other provision of law.

SEC. 1139. RESEARCH AND EXCHANGE ACTIVITIES BY SCIENCE AND TECHNOLOGY CENTERS.

(a) IN GENERAL.—Support for science and technology centers in the independent states of the former Soviet Union, as authorized by section 503(a)(5) of the FREEDOM Support Act (22 U.S.C. 5853(a)(5)) and section 1412(b) of the Former Soviet Union Demilitarization Act of 1992 (title XIV of Public Law 102–484, 22 U.S.C. 5901 et seq.), is authorized for activities described in subsection (b) to support the redirection of former Soviet weapons scientists, especially those with expertise in weapons of mass destruction (nuclear, radiological, chemical, biological), missile and other delivery systems, and other advanced technologies with military applications.

(b) ACTIVITIES SUPPORTED.—Activities supported under subsection (a) include—

(1) any research activity involving the participation of former Soviet weapons scientists and civilian scientists and engineers, if the participation of the weapons scientists predominates; and

(2) any program of international exchanges that would provide former Soviet weapons scientists exposure to, and the opportunity to develop relations with, research and industry partners.

TITLE XII—SECURITY ASSISTANCE

SEC. 1201. SHORT TITLE.

This title may be cited as the ''Security Assistance Act of 1999''.

Subtitle A—Transfers of Excess Defense Articles

SEC. 1211. EXCESS DEFENSE ARTICLES FOR CENTRAL AND SOUTHERN EUROPEAN COUNTRIES.

(a) TRANSPORTATION AND RELATED COSTS.—Section 105 of Public Law 104–164 (110 Stat. 1427) is amended by striking ''1999 and 2000'' and inserting ''2000 and 2001''.

(b) EXCESS DEFENSE ARTICLES FOR GREECE AND TURKEY.—Section 516(b)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(b)(2)) is amended by inserting after ''four-year period beginning on October 1, 1996,'' the following: ''and thereafter for the four-period beginning on October 1, 2000,''.

SEC. 1212. EXCESS DEFENSE ARTICLES FOR CERTAIN OTHER COUNTRIES.

(a) USES FOR WHICH FUNDS ARE AVAILABLE.—Notwithstanding section 516(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)), during each of the fiscal years 2000 and 2001, funds available to the Department of Defense may be expended for crating, packing, handling, and transportation of excess defense articles transferred under the authority of section 516 of that Act to Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Poland, Slovakia, Ukraine, and Uzbekistan.

(b) CONTENT OF CONGRESSIONAL NOTIFICATION.—Each notification required to be submitted under section 516(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(f)) with respect to a proposed transfer of a defense article described in subsection (a) shall include an estimate of the amount of funds to be expended under subsection (a) with respect to that transfer.

SEC. 1213. INCREASE IN ANNUAL LIMITATION ON TRANSFER OF EXCESS DEFENSE ARTICLES.

Section 516(g)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(g)(1)) is amended by striking ''$350,000,000'' and inserting ''$425,000,000''.

Subtitle B—Foreign Military Sales Authorities

SEC. 1221. TERMINATION OF FOREIGN MILITARY TRAINING.

Section 617 of the Foreign Assistance Act of 1961 (22 U.S.C. 2367) is amended by adding at the end the following new sentence: ''Such expenses for orderly termination of programs under the Arms Export Control Act may include the obligation and expenditure of funds to complete the training or studies outside the countries of origin of students whose course of study or training program began before assistance was terminated, as long as the origin country's termination was not a result of activities beyond default of financial responsibilities.''.

SEC. 1222. SALES OF EXCESS COAST GUARD PROPERTY.

Section 21(a)(1) of the Arms Export Control Act (22 U.S.C. 2761(a)(1)) is amended in the matter preceding subparagraph (A) by inserting ''and the Coast Guard'' after ''Department of Defense''.

SEC. 1223. COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES.

Section 22(d) of the Arms Export Control Act (22 U.S.C. 2762(d)) is amended—

(1) by striking ''Procurement contracts'' and inserting ''(1) Procurement contracts''; and

(2) by adding at the end the following:

''(2) Direct costs associated with meeting additional or unique requirements of the purchaser shall be allowable under contracts described in paragraph (1). Loadings applicable to such direct costs shall be permitted at the same rates applicable to procurement of like items purchased by the Department of Defense for its own use.''.

SEC. 1224. NOTIFICATION OF UPGRADES TO DIRECT COMMERCIAL SALES.

Section 36(c) of the Arms Export Control Act (22 U.S.C. 2776(c)) is amended by adding at the end the following new paragraph:

''(4) The provisions of subsection (b)(5) shall apply to any equipment, article, or service for which a numbered certification has been transmitted to Congress pursuant to paragraph (1) in the same manner and to the same extent as that subsection applies to any equipment, article, or service for which a numbered certification has been transmitted to Congress pursuant to subsection (b)(1). For purposes of such application, any reference in subsection (b)(5) to 'a letter of offer' or 'an offer' shall be deemed to be a reference to 'a contract'.''.

SEC. 1225. UNAUTHORIZED USE OF DEFENSE ARTICLES.

Section 3 of the Arms Export Control Act (22 U.S.C. 2753) is amended by adding at the end the following new subsection:

''(g) Any agreement for the sale or lease of any article on the United States Munitions List entered into by the United States Government after the date of enactment of this subsection shall state that the United States Government retains the right to verify credible reports that such article has been used for a purpose not authorized under section 4 or, if such agreement provides that such article may only be used for purposes more limited than those authorized under section 4, for a purpose not authorized under such agreement.''.

Subtitle C—Stockpiling of Defense Articles for Foreign Countries

SEC. 1231. ADDITIONS TO UNITED STATES WAR RESERVE STOCKPILES FOR ALLIES.

Paragraph (2) of section 514(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(2)) is amended to read as follows:

''(2)(A) The value of such additions to stockpiles of defense articles in foreign countries shall not exceed $60,000,000 for fiscal year 2000.

''(B) Of the amount specified in subparagraph (A), not more than $40,000,000 may be made available for stockpiles in the Republic of Korea and not more than $20,000,000 may be made available for stockpiles in Thailand.''.

SEC. 1232. TRANSFER OF CERTAIN OBSOLETE OR SURPLUS DEFENSE ARTICLES IN THE WAR RESERVES STOCKPILE FOR ALLIES.

(a) ITEMS IN THE KOREAN STOCKPILE.—

(1) IN GENERAL.—Notwithstanding section 514 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h), the President is authorized to transfer to the Republic of Korea, in return for concessions to be negotiated by the Secretary of Defense, with the concurrence of the Secretary of State, any or all of the items described in paragraph (2).

(2) COVERED ITEMS.—The items referred to in paragraph (1) are munitions, equipment, and material such as tanks, trucks, artillery, mortars, general purpose bombs, repair parts, ammunition, barrier material, and ancillary equipment, if such items are—

(A) obsolete or surplus items;

(B) in the inventory of the Department of Defense;

(C) intended for use as reserve stocks for the Republic of Korea; and

(D) as of the date of the enactment of this Act, located in a stockpile in the Republic of Korea.

(b) ITEMS IN THE THAILAND STOCKPILE.—

(1) IN GENERAL.—Notwithstanding section 514 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h), the President is authorized to transfer to Thailand, in return for concessions to be negotiated by the Secretary of Defense, with the concurrence of the Secretary of State, any or all of the items described in paragraph (2).

(2) COVERED ITEMS.—The items referred to in paragraph (1) are munitions, equipment, and material such as tanks, trucks, artillery, mortars, general purpose bombs, repair parts, ammunition, barrier material, and ancillary equipment, if such items are—

(A) obsolete or surplus items;

(B) in the inventory of the Department of Defense;

(C) intended for use as reserve stocks for Thailand; and

(D) as of the date of the enactment of this Act, located in a stockpile in Thailand.

(c) VALUATION OF CONCESSIONS.—The value of concessions negotiated pursuant to subsections (a) and (b) shall be at least equal to the fair market value of the items transferred. The concessions may include cash compensation, services, waiver of charges otherwise payable by the United States, and other items of value.

(d) PRIOR NOTIFICATIONS OF PROPOSED TRANSFERS.—Not less than 30 days before making a transfer under the authority of this section, the President shall transmit to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives a detailed notification of the proposed transfer, which shall include an identification of the items to be transferred and the concessions to be received.

(e) TERMINATION OF AUTHORITY.—No transfer may be made under the authority of this section more than 3 years after the date of the enactment of this Act.

Subtitle D—Defense Offsets Disclosure

SEC. 1241. SHORT TITLE.

This subtitle may be cited as the ''Defense Offsets Disclosure Act of 1999''.

SEC. 1242. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress makes the following findings:

(1) A fair business environment is necessary to advance international trade, economic stability, and development worldwide, is beneficial for American workers and businesses, and is in the United States national interest.

(2) In some cases, mandated offset requirements can cause economic distortions in international defense trade and undermine fairness and competitiveness, and may cause particular harm to small- and medium-sized businesses.

(3) The use of offsets may lead to increasing dependence on foreign suppliers for the production of United States weapons systems.

(4) The offset demands required by some purchasing countries, including some close allies of the United States, equal or exceed the value of the base contract they are intended to offset, mitigating much of the potential economic benefit of the exports.

(5) Offset demands often unduly distort the prices of defense contracts.

(6) In some cases, United States contractors are required to provide indirect offsets which can negatively impact nondefense industrial sectors.

(7) Unilateral efforts by the United States to prohibit offsets may be impractical in the current era of globalization and would severely hinder the competitiveness of the United States defense industry in the global market.

(8) The development of global standards to manage and restrict demands for offsets would enhance United States efforts to mitigate the negative impact of offsets.

(b) DECLARATION OF POLICY.—It is the policy of the United States to monitor the use of offsets in international defense trade, to promote fairness in such trade, and to ensure that foreign participation in the production of United States weapons systems does not harm the economy of the United States.

SEC. 1243. DEFINITIONS.

In this subtitle:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means—

(A) the Committee on Foreign Relations of the Senate; and

(B) the Committee on International Relations of the House of Representatives.

(2) G–8.—The term ''G–8'' means the group consisting of France, Germany, Japan, the United Kingdom, the United States, Canada, Italy, and Russia established to facilitate economic cooperation among the eight major economic powers.

(3) OFFSET.—The term ''offset'' means the entire range of industrial and commercial benefits provided to foreign governments as an inducement or condition to purchase military goods or services, including benefits such as coproduction, licensed production, subcontracting, technology transfer, in-country procurement, marketing and financial assistance, and joint ventures.

(4) TRANSATLANTIC ECONOMIC PARTNERSHIP.—The term ''Transatlantic Economic Partnership'' means the joint commitment made by the United States and the European Union to reinforce their close relationship through an initiative involving the intensification and extension of multilateral and bilateral cooperation and common actions in the areas of trade and investment.

(5) WASSENAAR ARRANGEMENT.—The term ''Wassenaar Arrangement'' means the multilateral export control regime in which the United States participates that seeks to promote transparency and responsibility with regard to transfers of conventional armaments and sensitive dual-use items.

(6) WORLD TRADE ORGANIZATION.—The term ''World Trade Organization'' means the organization established pursuant to the WTO Agreement.

(7) WTO AGREEMENT.—The term ''WTO Agreement'' means the Agreement Establishing the World Trade Organization entered into on April 15, 1994.

SEC. 1244. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the executive branch should pursue efforts to address trade fairness by establishing reasonable, business-friendly standards for the use of offsets in international business transactions between the United States and its trading partners and competitors;

(2) the Secretary of Defense, the Secretary of State, the Secretary of Commerce, and the United States Trade Representative, or their designees, should raise with other industrialized nations at every suitable venue the need for transparency and reasonable standards to govern the role of offsets in international defense trade;

(3) the United States Government should enter into discussions regarding the establishment of multilateral standards for the use of offsets in international defense trade through the appropriate multilateral fora, including such organizations as the Transatlantic Economic Partnership, the Wassenaar Arrangement, the G–8, and the World Trade Organization; and

(4) the United States Government, in entering into the discussions described in paragraph (3), should take into account the distortions produced by the provision of other benefits and subsidies, such as export financing, by various countries to support defense trade.

SEC. 1245. REPORTING OF OFFSET AGREEMENTS.

(a) INITIAL REPORTING OF OFFSET AGREEMENTS.—

(1) GOVERNMENT-TO-GOVERNMENT SALES.—Section 36(b)(1) of the Arms Export Control Act (22 U.S.C. 2776(b)(1)) is amended in subparagraph (C) of the fifth sentence, by striking ''and a description'' and all that follows and inserting ''and a description of any offset agreement with respect to such sale;''.

(2) COMMERCIAL SALES.—Section 36(c)(1) of the Arms Export Control Act (22 U.S.C. 2776(c)(1)) is amended in the second sentence, by striking ''(if known on the date of transmittal of such certification)'' and inserting ''and a description of any such offset agreement''.

(b) CONFIDENTIALITY OF INFORMATION RELATING TO OFFSET AGREEMENTS.—Section 36 of the Arms Export Control Act (22 U.S.C. 2776) is amended—

(1) by redesignating the second subsection (e) (as added by section 155 of Public Law 104–164) as subsection (f); and

(2) by adding at the end the following new subsection:

''(g) Information relating to offset agreements provided pursuant to subparagraph (C) of the fifth sentence of subsection (b)(1) and the second sentence of subsection (c)(1) shall be treated as confidential information in accordance with section 12(c) of the Export Administration Act of 1979 (50 U.S.C. App. 2411(c)).''.

SEC. 1246. EXPANDED PROHIBITION ON INCENTIVE PAYMENTS.

(a) IN GENERAL.—Section 39A(a) of the Arms Export Control Act (22 U.S.C. 2779a(a)) is amended—

(1) by inserting ''or licensed'' after ''sold''; and

(2) by inserting ''or export'' after ''sale''.

(b) DEFINITION OF UNITED STATES PERSON.—Section 39A(d)(3)(B)(ii) of the Arms Export Control Act (22 U.S.C. 2779a(d)(3)(B)(ii)) is amended by inserting ''or by an entity described in clause (i)'' after ''subparagraph (A)''.

SEC. 1247. ESTABLISHMENT OF REVIEW COMMISSION.

(a) IN GENERAL.—There is established a National Commission on the Use of Offsets in Defense Trade (in this section referred to as the ''Commission'') to address all aspects of the use of offsets in international defense trade.

(b) COMMISSION MEMBERSHIP.—Not later than 120 days after the date of enactment of this Act, the President, with the concurrence of the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives, shall appoint 11 individuals to serve as members of the Commission. Commission membership shall include—

(1) representatives from the private sector, including—

(A) one each from—

(i) a labor organization,

(ii) a United States defense manufacturing company dependent on foreign sales,

(iii) a United States company dependent on foreign sales that is not a defense manufacturer, and

(iv) a United States company that specializes in international investment, and

(B) two members from academia with widely recognized expertise in international economics; and

(2) five members from the executive branch, including a member from—

(A) the Office of Management and Budget,

(B) the Department of Commerce,

(C) the Department of Defense,

(D) the Department of State, and

(E) the Department of Labor.

The member designated from the Office of Management and Budget shall serve as Chairperson of the Commission. The President shall ensure that the Commission is nonpartisan and that the full range of perspectives on the subject of offsets in the defense industry is adequately represented.

(c) DUTIES.—The Commission shall be responsible for reviewing and reporting on—

(1) the full range of current practices by foreign governments in requiring offsets in purchasing agreements and the extent and nature of offsets offered by United States and foreign defense industry contractors;

(2) the impact of the use of offsets on defense subcontractors and nondefense industrial sectors affected by indirect offsets; and

(3) the role of offsets, both direct and indirect, on domestic industry stability, United States trade competitiveness and national security.

(d) COMMISSION REPORT.—Not later than 12 months after the Commission is established, the Commission shall submit a report to the appropriate congressional committees. In addition to the items described under subsection (c), the report shall include—

(1) an analysis of—

(A) the collateral impact of offsets on industry sectors that may be different than those of the contractor providing the offsets, including estimates of contracts and jobs lost as well as an assessment of damage to industrial sectors;

(B) the role of offsets with respect to competitiveness of the United States defense industry in international trade and the potential damage to the ability of United States contractors to compete if offsets were prohibited or limited; and

(C) the impact on United States national security, and upon United States nonproliferation objectives, of the use of coproduction, subcontracting, and technology transfer with foreign governments or companies that results from fulfilling offset requirements, with particular emphasis on the question of dependency upon foreign nations for the supply of critical components or technology;

(2) proposals for unilateral, bilateral, or multilateral measures aimed at reducing any detrimental effects of offsets; and

(3) an identification of the appropriate executive branch agencies to be responsible for monitoring the use of offsets in international defense trade.

(e) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(f) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(g) MEETINGS.—The Commission shall meet at the call of the Chairman.

(h) COMMISSION PERSONNEL MATTERS.—

(1) COMPENSATION OF MEMBERS.—Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(2) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(3) STAFF.—

(A) IN GENERAL.—The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

(B) COMPENSATION.—The Chairman of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(4) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(5) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(i) TERMINATION.—The Commission shall terminate 30 days after the transmission of the report from the President as mandated in section 1248(b).

SEC. 1248. MULTILATERAL STRATEGY TO ADDRESS OFFSETS.

(a) IN GENERAL.—The President shall initiate a review to determine the feasibility of establishing, and the most effective means of negotiating, a multilateral treaty on standards for the use of offsets in international defense trade, with a goal of limiting all offset transactions that are considered injurious to the economy of the United States.

(b) REPORT REQUIRED.—Not later than 90 days after the date on which the Commission submits the report required under section 1247(d), the President shall submit to the appropriate congressional committees a report containing the President's determination pursuant to subsection (a), and, if the President determines a multilateral treaty is feasible or desirable, a strategy for United States negotiation of such a treaty. One year after the date the report is submitted under the preceding sentence, and annually thereafter for 5 years, the President shall submit to the appropriate congressional committees a report detailing the progress toward reaching such a treaty.

(c) REQUIRED INFORMATION.—The report required by subsection (b) shall include—

(1) a description of the United States efforts to pursue multilateral negotiations on standards for the use of offsets in international defense trade;

(2) an evaluation of existing multilateral fora as appropriate venues for establishing such negotiations;

(3) a description on a country-by-country basis of any United States efforts to engage in negotiations to establish bilateral treaties or agreements with respect to the use of offsets in international defense trade; and

(4) an evaluation on a country-by-country basis of any foreign government efforts to address the use of offsets in international defense trade.

(d) COMPTROLLER GENERAL REVIEW.—The Comptroller General of the United States shall monitor and periodically report to Congress on the progress in reaching a multilateral treaty.

Subtitle E—Automated Export System Relating to Export Information

SEC. 1251. SHORT TITLE.

This subtitle may be cited as the ''Proliferation Prevention Enhancement Act of 1999''.

SEC. 1252. MANDATORY USE OF THE AUTOMATED EXPORT SYSTEM FOR FILING CERTAIN SHIPPERS' EXPORT DECLARATIONS.

(a) AUTHORITY.—Section 301 of title 13, United States Code, is amended by adding at the end the following new subsection:

''(h) The Secretary is authorized to require by regulation the filing of Shippers' Export Declarations under this chapter through an automated and electronic system for the filing of export information established by the Department of the Treasury.''.

(b) IMPLEMENTING REGULATIONS.—

(1) IN GENERAL.—The Secretary of Commerce, with the concurrence of the Secretary of State, shall publish regulations in the Federal Register to require that, upon the effective date of those regulations, exporters (or their agents) who are required to file Shippers' Export Declarations under chapter 9 of title 13, United States Code, file such Declarations through the Automated Export System with respect to exports of items on the United States Munitions List or the Commerce Control List.

(2) ELEMENTS OF THE REGULATIONS.—The regulations referred to in paragraph (1) shall include at a minimum—

(A) provision by the Department of Commerce for the establishment of on-line assistance services to be available for those individuals who must use the Automated Export System;

(B) provision by the Department of Commerce for ensuring that an individual who is required to use the Automated Export System is able to print out from the System a validated record of the individual's submission, including the date of the submission and a serial number or other unique identifier, where appropriate, for the export transaction; and

(C) a requirement that the Department of Commerce print out and maintain on file a paper copy or other acceptable back-up record of the individual's submission at a location selected by the Secretary of Commerce.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 270 days after the Secretary of Commerce, the Secretary of the Treasury, and the Director of the National Institute of Standards and Technology jointly provide a certification to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives that a secure Automated Export System available through the Internet that is capable of handling the expected volume of information required to be filed under subsection (b), plus the anticipated volume from voluntary use of the Automated Export System, has been successfully implemented and tested and is fully functional with respect to reporting all items on the United States Munitions List, including their quantities and destinations.

SEC. 1253. VOLUNTARY USE OF THE AUTOMATED EXPORT SYSTEM.

It is the sense of Congress that exporters (or their agents) who are required to file Shippers' Export Declarations under chapter 9 of title 13, United States Code, but who are not required under section 1252(b) to file such Declarations using the Automated Export System, should do so.

SEC. 1254. REPORT TO APPROPRIATE COMMITTEES OF CONGRESS.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Commerce, in consultation with the Secretary of State, the Secretary of Defense, the Secretary of the Treasury, the Secretary of Energy, and the Director of Central Intelligence, shall submit a report to the appropriate committees of Congress setting forth—

(1) the advisability and feasibility of mandating electronic filing through the Automated Export System for all Shippers' Export Declarations;

(2) the manner in which data gathered through the Automated Export System can most effectively be used, consistent with the need to ensure the confidentiality of business information, by other automated licensing systems administered by Federal agencies, including—

(A) the Defense Trade Application System of the Department of State;

(B) the Export Control Automated Support System of the Department of Commerce;

(C) the Foreign Disclosure and Technology Information System of the Department of Defense;

(D) the Proliferation Information Network System of the Department of Energy;

(E) the Enforcement Communication System of the Department of the Treasury; and

(F) the Export Control System of the Central Intelligence Agency; and

(3) a proposed timetable for any expansion of information required to be filed through the Automated Export System.

(b) DEFINITION.—In this section, the term ''appropriate committees of Congress'' means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

SEC. 1255. ACCELERATION OF DEPARTMENT OF STATE LICENSING PROCEDURES.

Notwithstanding any other provision of law, the Secretary of State may use funds appropriated or otherwise made available to the Department of State to employ—

(1) up to 40 percent of the individuals who are performing services within the Office of Defense Trade Controls of the Department of State in positions classified at GS–14 and GS–15 on the General Schedule under section 5332 of title 5, United States Code; and

(2) other individuals within the Office at a rate of basic pay that may exceed the maximum rate payable for positions classified at GS–15 on the General Schedule under section 5332 of that title.

SEC. 1256. DEFINITIONS.

In this subtitle:

(1) AUTOMATED EXPORT SYSTEM.—The term ''Automated Export System'' means the automated and electronic system for filing export information established under chapter 9 of title 13, United States Code, on June 19, 1995 (60 Federal Register 32040).

(2) COMMERCE CONTROL LIST.—The term ''Commerce Control List'' has the meaning given the term in section 774.1 of title 15, Code of Federal Regulations.

(3) SHIPPERS' EXPORT DECLARATION.—The term ''Shippers' Export Declaration'' means the export information filed under chapter 9 of title 13, United States Code, as described in part 30 of title 15, Code of Federal Regulations.

(4) UNITED STATES MUNITIONS LIST.—The term ''United States Munitions List'' means the list of items controlled under section 38 of the Arms Export Control Act (22 U.S.C. 2778).

Subtitle F—International Arms Sales Code of Conduct Act of 1999

SEC. 1261. SHORT TITLE.

This subtitle may be cited as the ''International Arms Sales Code of Conduct Act of 1999''.

SEC. 1262. INTERNATIONAL ARMS SALES CODE OF CONDUCT.

(a) NEGOTIATIONS.—The President shall attempt to achieve the foreign policy goal of an international arms sales code of conduct. The President shall take the necessary steps to begin negotiations within appropriate international fora not later than 120 days after the date of the enactment of this Act. The purpose of these negotiations shall be to establish an international regime to promote global transparency with respect to arms transfers, including participation by countries in the United Nations Register of Conventional Arms, and to limit, restrict, or prohibit arms transfers to countries that do not observe certain fundamental values of human liberty, peace, and international stability.

(b) CRITERIA.—The President shall consider the following criteria in the negotiations referred to in subsection (a):

(1) PROMOTES DEMOCRACY.—The government of the country—

(A) was chosen by and permits free and fair elections;

(B) promotes civilian control of the military and security forces and has civilian institutions controlling the policy, operation, and spending of all law enforcement and security institutions, as well as the armed forces;

(C) promotes the rule of law and provides its nationals the same rights that they would be afforded under the United States Constitution if they were United States citizens; and

(D) promotes the strengthening of political, legislative, and civil institutions of democracy, as well as autonomous institutions to monitor the conduct of public officials and to combat corruption.

(2) RESPECTS HUMAN RIGHTS.—The government of the country—

(A) does not persistently engage in gross violations of internationally recognized human rights, including—

(i) extrajudicial or arbitrary executions;

(ii) disappearances;

(iii) torture or severe mistreatment;

(iv) prolonged arbitrary imprisonment;

(v) systematic official discrimination on the basis of race, ethnicity, religion, gender, national origin, or political affiliation; and

(vi) grave breaches of international laws of war or equivalent violations of the laws of war in internal armed conflicts;

(B) vigorously investigates, disciplines, and prosecutes those responsible for gross violations of internationally recognized human rights;

(C) permits access on a regular basis to political prisoners by international humanitarian organizations;

(D) promotes the independence of the judiciary and other official bodies that oversee the protection of human rights;

(E) does not impede the free functioning of domestic and international human rights organizations; and

(F) provides access on a regular basis to humanitarian organizations in situations of conflict or famine.

(3) NOT ENGAGED IN CERTAIN ACTS OF ARMED AGGRESSION.—The government of the country is not engaged in acts of armed aggression in violation of international law.

(4) NOT SUPPORTING TERRORISM.—The government of the country does not provide support for international terrorism.

(5) NOT CONTRIBUTING TO PROLIFERATION OF WEAPONS OF MASS DESTRUCTION.—The government of the country does not contribute to the proliferation of weapons of mass destruction.

(6) REGIONAL LOCATION OF COUNTRY.—The country is not located in a region in which arms transfers would exacerbate regional arms races or international tensions that present a danger to international peace and stability.

(c) REPORTS TO CONGRESS.—

(1) REPORT RELATING TO NEGOTIATIONS.—Not later than 6 months after the commencement of the negotiations under subsection (a), and not later than the end of every 6-month period thereafter until an agreement described in subsection (a) is concluded, the President shall report to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate on the progress made during these negotiations.

(2) HUMAN RIGHTS REPORTS.—In the report required in sections 116(d) and 502B(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n(b) and 2304(b)), the Secretary of State shall describe the extent to which the practices of each country evaluated meet the criteria in paragraphs (1)(A) and (2) of subsection (a).

Subtitle G—Transfer of Naval Vessels to Certain Foreign Countries

SEC. 1271. AUTHORITY TO TRANSFER NAVAL VESSELS.

(a) INAPPLICABILITY OF AGGREGATE ANNUAL LIMITATION ON VALUE OF TRANSFERRED EXCESS DEFENSE ARTICLES.—The value of a vessel transferred to another country on a grant basis under section 516 of the Foreign Assistance Act

of 1961 (22 U.S.C. 2321j) pursuant to authority provided by section 1018(a) of the National Defense Authorization Act for Fiscal Year 2000 shall not be counted for the purposes of section 516(g) of the Foreign Assistance Act of 1961 in the aggregate value of excess defense articles transferred to countries under that section in any fiscal year.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 1018 of the National Defense Authorization Act for Fiscal Year 2000 is amended—

(1) in subsections (a) and (d), by striking ''Secretary of the Navy'' each place it appears and inserting ''President'';

(2) by striking subsection (b); and

(3) by redesignating subsections (c) through (e) as subsections (b) through (d), respectively.

TITLE XIII—MISCELLANEOUS PROVISIONS

SEC. 1301. PUBLICATION OF ARMS SALES CERTIFICATIONS.

(a) IN GENERAL.—Section 36 of the Arms Export Control Act (22 U.S.C. 2776) is amended in the second subsection (e) (as added by section 155 of Public Law 104–164)—

(1) by inserting ''in a timely manner'' after ''to be published''; and

(2) by striking ''the full unclassified text of'' and all that follows and inserting the following: ''the full unclassified text of—

''(1) each numbered certification submitted pursuant to subsection (b);

''(2) each notification of a proposed commercial sale submitted under subsection (c); and

''(3) each notification of a proposed commercial technical assistance or manufacturing licensing agreement submitted under subsection (d).''.

(b) NOTICE OF CLASSIFIED ARMS SALES.—

(1) GOVERNMENT-TO-GOVERNMENT SALES.—Section 36(b)(1) of the Arms Export Control Act (22 U.S.C. 2776(b)(1)) is amended in the sixth sentence by inserting before the period at the end the following: '', in which case the information shall be accompanied by a description of the damage to the national security that could be expected to result from public disclosure of the information''.

(2) COMMERCIAL SALES.—Section 36(c)(1) of the Arms Export Control Act (22 U.S.C. 2776(c)(1)) is amended in the fifth sentence by inserting before the period at the end the following: '', in which case the information shall be accompanied by a description of the damage to the national security that could be expected to result from public disclosure of the information''.

SEC. 1302. NOTIFICATION REQUIREMENTS FOR COMMERCIAL EXPORT OF ITEMS ON UNITED STATES MUNITIONS LIST.

(a) NOTIFICATION REQUIREMENT.—Section 38 of the Arms Export Control Act (22 U.S.C. 2778) is amended by adding at the end the following:

''(i) As prescribed in regulations issued under this section, a United States person to whom a license has been granted to export an item on the United States Munitions List shall, not later than 15 days after the item is exported, submit to the Department of State a report containing all shipment information, including a description of the item and the quantity, value, port of exit, and end-user and country of destination of the item.''.

(b) QUARTERLY REPORTS TO CONGRESS.—Section 36(a) of the Arms Export Control Act (22 U.S.C. 2776(a)) is amended—

(A) in paragraph (11), by striking ''and'' at the end;

(B) in paragraph (12), by striking ''third-party transfers.'' and inserting ''third-party transfers; and''; and

(C) by adding after paragraph (12) (but before the last sentence of the subsection), the following:

''(13) a report on all exports of significant military equipment for which information has been provided pursuant to section 38(i).''.

SEC. 1303. ENFORCEMENT OF ARMS EXPORT CONTROL ACT.

The Arms Export Control Act (22 U.S.C. 2751 et seq.) is amended in sections 38(e), 39A(c), and 40(k) by inserting after ''except that'' each place it appears the following: ''section 11(c)(2)(B) of such Act shall not apply, and instead, as prescribed in regulations issued under this section, the Secretary of State may assess civil penalties for violations of this Act and regulations prescribed thereunder and further may commence a civil action to recover such civil penalties, and except further that''.

SEC. 1304. VIOLATIONS RELATING TO MATERIAL SUPPORT TO TERRORISTS.

Section 38(g)(1)(A)(iii) of the Arms Export Control Act (22 U.S.C. 2778(g)(1)(A)(iii)) is amended by adding at the end before the comma the following: ''or section 2339A of such title (relating to providing material support to terrorists)''.

SEC. 1305. AUTHORITY TO CONSENT TO THIRD PARTY TRANSFER OF EX-U.S.S. BOWMAN COUNTY TO USS LST SHIP MEMORIAL, INC.

(a) FINDINGS.—Congress makes the following findings:

(1) It is the long-standing policy of the United States Government to deny requests for the retransfer of significant military equipment that originated in the United States to private entities.

(2) In very exceptional circumstances, when the United States public interest would be served by the proposed retransfer and end-use, such requests may be favorably considered.

(3) Such retransfers to private entities have been authorized in very exceptional circumstances following appropriate demilitarization and receipt of assurances from the private entity that the item to be transferred would be used solely in furtherance of Federal Government contracts or for static museum display.

(4) Nothing in this section should be construed as a revision of long-standing policy referred to in paragraph (1).

(5) The Government of Greece has requested the consent of the United States Government to the retransfer of HS Rodos (ex-U.S.S. Bowman County (LST 391)) to the USS LST Ship Memorial, Inc.

(b) AUTHORITY TO CONSENT TO RETRANSFER.—

(1) IN GENERAL.—Subject to paragraph (2), the President may consent to the retransfer by the Government of Greece of HS Rodos (ex-U.S.S. Bowman County (LST 391)) to the USS LST Ship Memorial, Inc.

(2) CONDITIONS FOR CONSENT.—The President should not exercise the authority under paragraph (1) unless USS LST Memorial, Inc.—

(A) utilizes the vessel for public, nonprofit, museum-related purposes; and

(B) complies with applicable law with respect to the vessel, including law related to demilitarization of guns prior to transfer and to facilitation of Federal Government monitoring and mitigation of potential environmental hazards associated with aging vessels, and has a demonstrated financial capability to so comply.

SEC. 1306. ANNUAL MILITARY ASSISTANCE REPORT.

(a) INFORMATION RELATING TO MILITARY ASSISTANCE AND MILITARY EXPORTS.—Section 655(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2415(b)) is amended to read as follows:

''(b) INFORMATION RELATING TO MILITARY ASSISTANCE AND MILITARY EXPORTS.—Each such report shall show the aggregate dollar value and quantity of defense articles (including excess defense articles), defense services, and international military education and training activities authorized by the United States and of such articles, services, and activities provided by the United States, excluding any activity that is reportable under title V of the National Security Act of 1947, to each foreign country and international organization. The report shall specify, by category, whether such defense articles—

''(1) were furnished by grant under chapter 2 or chapter 5 of part II of this Act or under any other authority of law or by sale under chapter 2 of the Arms Export Control Act;

''(2) were furnished with the financial assistance of the United States Government, including through loans and guarantees; or

''(3) were licensed for export under section 38 of the Arms Export Control Act.''.

(b) AVAILABILITY ON INTERNET.—Section 655 of the Foreign Assistance Act of 1961 (22 U.S.C. 2415) is amended by adding at the end the following:

''(d) AVAILABILITY ON INTERNET.—All unclassified portions of such report shall be made available to the public on the Internet through the Department of State.''.

SEC. 1307. ANNUAL FOREIGN MILITARY TRAINING REPORT.

Chapter 3 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2401 et seq.) is amended by inserting after section 655 the following:

''SEC. 656. ANNUAL FOREIGN MILITARY TRAINING REPORT.

''(a) ANNUAL REPORT.—Not later than January 31 of each year, the Secretary of Defense and the Secretary of State shall jointly prepare and submit to the appropriate congressional committees a report on all military training provided to foreign military personnel by the Department of Defense and the Department of State during the previous fiscal year and all such training proposed for the current fiscal year.

''(b) CONTENTS.—The report described in subsection (a) shall include the following:

''(1) For each military training activity, the foreign policy justification and purpose for the activity, the number of foreign military personnel provided training and their units of operation, and the location of the training.

''(2) For each country, the aggregate number of students trained and the aggregate cost of the military training activities.

''(3) With respect to United States personnel, the operational benefits to United States forces derived from each military training activity and the United States military units involved in each activity.

''(c) FORM.—The report described in subsection (a) shall be in unclassified form but may include a classified annex.

''(d) AVAILABILITY ON INTERNET.—All unclassified portions of the report described in subsection (a) shall be made available to the public on the Internet through the Department of State.

''(e) DEFINITION.—In this section, the term 'appropriate congressional committees' means—

''(1) the Committee on Appropriations and the Committee on International Relations of the House of Representatives; and

''(2) the Committee on Appropriations and the Committee on Foreign Relations of the Senate.''.

SEC. 1308. SECURITY ASSISTANCE FOR THE PHILIPPINES.

(a) STATEMENT OF POLICY.—The Congress declares the following:

(1) The President should transfer to the Government of the Philippines, on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j), the excess defense articles described in subsection (b).

(2) The United States should not oppose the transfer of F–5 aircraft by a third country to the Government of the Philippines.

(b) EXCESS DEFENSE ARTICLES.—The excess defense articles described in this subsection are the following:

(1) UH–1 helicopters and A–4 aircraft.

(2) Amphibious landing craft, naval patrol vessels (including patrol vessels of the Coast Guard), and other naval vessels (such as frigates), if such vessels are available.

(c) FUNDING.—Of the amounts made available to carry out section 23 of the Arms Export Control Act (22 U.S.C. 2763) for fiscal years 2000 and

2001, $5,000,000 for each such fiscal year should be made available for assistance on a grant basis for the Philippines.

SEC. 1309. EFFECTIVE REGULATION OF SATELLITE EXPORT ACTIVITIES.

(a) LICENSING REGIME.—

(1) ESTABLISHMENT.—The Secretary of State shall establish a regulatory regime for the licensing for export of commercial satellites, satellite technologies, their components, and systems which shall include expedited approval, as appropriate, of the licensing for export by United States companies of commercial satellites, satellite technologies, their components, and systems, to NATO allies and major non-NATO allies (as used within the meaning of section 644(q) of the Foreign Assistance Act of 1961).

(2) REQUIREMENTS.—For proposed exports to those nations which meet the requirements of paragraph (1), the regime should include expedited processing of requests for export authorizations that—

(A) are time-critical, including a transfer or exchange of information relating to a satellite failure or anomaly in-flight or on-orbit;

(B) are required to submit bids to procurements offered by foreign persons;

(C) relate to the re-export of unimproved materials, products, or data; or

(D) are required to obtain launch and on-orbit insurance.

(3) ADDITIONAL REQUIREMENTS.—In establishing the regulatory regime under paragraph (1), the Secretary of State shall ensure that—

(A) United States national security considerations and United States obligations under the Missile Technology Control Regime are given priority in the evaluation of any license; and

(B) such time is afforded as is necessary for the Department of Defense, the Department of State, and the United States intelligence community to conduct a review of any license.

(b) FINANCIAL AND PERSONNEL RESOURCES.—Of the funds authorized to be appropriated in section 101(1)(A), $9,000,000 is authorized to be appropriated for the Office of Defense Trade Controls of the Department of State for each of the fiscal years 2000 and 2001, to enable that office to carry out its responsibilities.

(c) IMPROVEMENT AND ASSESSMENT.—The Secretary of State should, not later than 6 months after the date of the enactment of this Act, submit to the Congress a plan for—

(1) continuously gathering industry and public suggestions for potential improvements in the Department of State's export control regime for commercial satellites; and

(2) arranging for the conduct and submission to Congress, not later than 15 months after the date of the enactment of this Act, of an independent review of the export control regime for commercial satellites as to its effectiveness at promoting national security and economic competitiveness.

SEC. 1310. STUDY ON LICENSING PROCESS UNDER THE ARMS EXPORT CONTROL ACT.

(a) STUDY.—Not later than 180 days after the date of enactment of this Act, the Secretary of State should submit to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives a study on the performance of the licensing process pursuant to the Arms Export Control Act (22 U.S.C. 2751 et seq.), with recommendations on how to improve that performance.

(b) CONTENTS.—The study should include the following:

(1) An analysis of the typology of licenses on which action was completed in 1999. The analysis should provide information on major categories of license requests, including—

(A) the number for nonautomatic small arms, automatic small arms, technical data, parts and components, and other weapons;

(B) the percentage of each category staffed to other agencies;

(C) the average and median time taken for the processing cycle for each category when staffed and not staffed;

(D) the average time taken by Presidential or National Security Council review or scrutiny, if significant; and

(E) the average time spent at the Department of State after a decision had been taken on a license but before a contractor was notified of the decision.

For each major category of license requests under this paragraph, the study should include a breakdown of licenses by country and the identity of each country that has been identified in the past three years pursuant to section 3(e) of the Arms Export Control Act (22 U.S.C. 2753(e)).

(2) A review of the current computer capabilities of the Department of State relevant to the processing of licenses and its capability to communicate electronically with other agencies and contractors, and what improvements could be made that would speed the process, including the cost for such improvements.

(3) An analysis of the work load and salary structure for export licensing officers of the Office of Defense Trade Controls of the Department of State as compared to comparable jobs at the Department of Commerce and the Department of Defense.

(4) Any suggestions of the Department of State relating to resources and regulations, and any relevant statutory changes that might expedite the licensing process while furthering the objectives of the Arms Export Control Act (22 U.S.C. 2751 et seq.).

SEC. 1311. REPORT CONCERNING PROLIFERATION OF SMALL ARMS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate committees of Congress a report containing—

(1) an assessment of whether the global trade in small arms poses any proliferation problems, including—

(A) estimates of the numbers and sources of licit and illicit small arms and light arms in circulation and their origins;

(B) the challenges associated with monitoring small arms; and

(C) the political, economic, and security dimensions of this issue, and the threats posed, if any, by these weapons to United States interests, including national security interests;

(2) an assessment of whether the export of small arms of the type sold commercially in the United States should be considered a foreign policy or proliferation issue;

(3) a description and analysis of the adequacy of current Department of State activities to monitor and, to the extent possible, ensure adequate control of, both the licit and illicit manufacture, transfer, and proliferation of small arms and light weapons, including efforts to survey and assess this matter with respect to Africa and to survey and assess the scope and scale of the issue, including stockpile security and destruction of excess inventory, in NATO and Partnership for Peace countries;

(4) a description of the impact of the reorganization of the Department of State made by the Foreign Affairs Reform and Restructuring Act of 1998 on the transfer of functions relating to monitoring, licensing, analysis, and policy on small arms and light weapons, including—

(A) the integration of and the functions relating to small arms and light weapons of the United States Arms Control and Disarmament Agency with those of the Department of State;

(B) the functions of the Bureau of Arms Control, the Bureau of Nonproliferation, the Bureau of Political-Military Affairs, the Bureau of International Narcotics and Law Enforcement, regional bureaus, and any other relevant bureau or office of the Department of State, including the allocation of personnel and funds, as they pertain to small arms and light weapons;

(C) the functions of the regional bureaus of the Department of State in providing information and policy coordination in bilateral and multilateral settings on small arms and light weapons;

(D) the functions of the Under Secretary of State for Arms Control and International Security pertaining to small arms and light weapons; and

(E) the functions of the scientific and policy advisory board on arms control, nonproliferation, and disarmament pertaining to small arms and light weapons; and

(5) an assessment of whether foreign governments are enforcing their own laws concerning small arms and light weapons import and sale, including commitments under the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials or other relevant international agreements.

(b) DEFINITION.—In this section, the term ''appropriate committees of Congress'' means the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate and the Committee on International Relations and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 1312. CONFORMING AMENDMENT.

Subsection (d) of section 248 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1958) is amended by inserting '', and to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives,'' after ''congressional defense committees''.

Following is explanatory language on H.R. 3427, as introduced on November 17, 1999.

EXPLANATORY STATEMENT RELATED TO H.R. 3427

THE ADMIRAL JAMES W. NANCE AND MEG DONOVAN FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2000–2001

AUTHORIZATIONS OF APPROPRIATIONS FOR DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

Diplomatic and Consular Programs

Section 101 authorizes $2,837,772,000 in appropriations under the heading ''Diplomatic and Consular Programs'' for fiscal year 2000 and $3,263,438,000 for fiscal year 2001, and includes earmarks for the Bureau of Democracy and Human Rights, recruitment of minority groups, and the recurring costs of worldwide security upgrades for each fiscal year.

Capital Investment Fund

Section 101 authorizes $90,000,000 in appropriations under the heading ''Capital Investment Fund'' for fiscal year 2000 and $150,000,000 for fiscal year 2001.

Embassy Security, Construction and Maintenance

Section 101 authorizes $434,066,000 in appropriations under the heading ''Security and Maintenance of U.S. Missions'' for fiscal year 2000 and $445,000,000 in fiscal year 2001. In addition, the Security and Maintenance account is renamed the ''Embassy Security, Construction and Maintenance'' account. (Funding for security related construction is in section 604.)

Representation Allowances

Section 101 authorizes $5,850,000 in appropriations under the heading ''Representation Allowances'' for fiscal years 2000 and 2001.

Emergencies in the Diplomatic and Consular Service

Section 101 authorizes $17,000,000 in appropriations under the heading ''Emergencies in the Diplomatic and Consular Service'' for fiscal years 2000 and 2001.

Office of the Inspector General

Section 101 authorizes $30,054,000 in appropriations under the heading ''Office of Inspector General'' for fiscal years 2000 and 2001.

American Institute in Taiwan

Section 101 authorizes $15,760,000 in appropriations under the heading ''American Institute in Taiwan'' for fiscal year 2000 and $15,918,000 in fiscal year 2001.

Protection of Foreign Missions and Officials

Section 101 authorizes $9,490,000 in appropriations under the heading ''Protection of Foreign Missions and Officials'' for fiscal years 2000 and 2001.

Repatriation Loans

Section 101 authorizes $1,200,000 in appropriations under the heading ''Repatriation Loans Program Account'' for fiscal years 2000 and 2001.

INTERNATIONAL COMMISSIONS

Section 102 authorizes $52,043,000 in appropriations under the heading ''International Commissions'' for fiscal years 2000 and 2001.

MIGRATION AND REFUGEE ASSISTANCE

Section 103 authorizes $750,000,000 for each of fiscal years 2000–2001. Where local expertise is unavailable, the rape counseling provided for in this provision should be provided through international organizations, U.S.-based non-governmental organizations, nonprofit organizations, or health organizations and should be culturally appropriate and could be part of a comprehensive program of assistance aimed at reintegrating these women into their communities or resettling them elsewhere as appropriate.

UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS

Section 104 authorizes $112,000,000 in fiscal year 2000 and $120,000,000 in fiscal year 2001 for Fulbright Exchanges, and $98,329,000 in fiscal year 2000 and $105,000,000 in fiscal year 2001 for other educational and cultural programs. In addition, the bill includes certain earmarks.

Arab-Israeli Peace Partners Program

This section includes an earmark for the Arab Israeli Peace Partners program. The program is intended to reach out to new groups of people who can influence and improve mutual understanding in the Middle East. The program is to include participants from Israel, the Palestinian Authority, Arab countries and the United States. The focus of the program is the promotion of mutual understanding and conflict resolution. The Arab-Israeli Peace Partners program should include college and graduate students, as well as leaders and public policy advocates in various professions. Professionals in the fields of primary and high school education, administration of justice, journalism, communications, government, health, environment, technology, law or other community leaders are of particular importance. These people have the ability to reach out to other networks of people who can benefit from their experience.

Grouping these exchanges by profession can stimulate like-minded individuals who have common ground for interaction to pursue other significant issues relevant to a more lasting peace process. The managers draw particular attention to the Seeds of Peace, an innovative and widely respected organization that helps Arab and Israeli teenagers overcome prejudice and build positive relationships. This has been a successful undertaking that focuses on future leaders. The Arab-Israeli program will provide those currently in the workforce or soon to enter with tools to establish the common ground for peaceful coexistence in the region.

Vietnam Fulbright Program

This section also authorizes $4,000,000 for each of fiscal years 2000–2001 for the Vietnam Fulbright Program. The current lack of political and religious freedom in Vietnam raises concerns. However, exchange programs of this nature, which provide educational opportunities and exposure to American institutions and values, can be important tools in hastening the transition of countries like Vietnam into free and open societies. However, the Vietnamese Government does not select the participants in this program and any Vietnamese citizen can apply for admission to this program.

The State Department is expected to continue to ensure that opportunities to participate in the program are made available to all qualified applicants and to administer this program under the guidelines set out in section 102 of the Human Rights, Refugee, and Other Foreign Provisions Act of 1996 (Public Law 104–319), as modified in this Act. The success of the Vietnam Fulbright Program and similar programs in like countries will be marked by the extent of progress toward freedom and democracy. The appropriate Congressional committees will continue to monitor this program to evaluate its impact on such progress.

GRANTS TO THE ASIA FOUNDATION

Section 105 authorizes $15,000,000 in appropriations under the heading ''The Asia Foundation'' for fiscal years 2000 and 2001.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Section 106 authorizes $940,000,000 in appropriations for fiscal year 2000 and such sums as may be necessary for fiscal year 2001 under the heading ''Contributions to International Organizations (CIO)'', and includes the following conditions:

No Growth Budget

Of the funds authorized, subsection (b) makes available $80,000,000 on an annual basis only when the Secretary of State certifies to the Congress that no action has been taken by the United Nations to increase the United Nations 1998–99 budget of $2,533,000,000 during that period without finding an offset elsewhere in the United Nations budget during that period.

Inspector General

Of the funds authorized, subsection (c) withholds 20 percent of the funds made available for the United Nations until the Secretary of State certifies that the Office of Internal Oversight Services (OIOS) continues to function as an independent inspector general. This section requires the Director of the OIOS to report directly to the Secretary General on the adequacy of his resources and a certification by the Secretary of State that the OIOS has the authority to audit, inspect, or investigate each program, project or activity funded by the United Nations, and each Executive Board created under the United Nations has been notified of that authority. With regard to the distribution of reports required by this provision, what is essential is that the United States (and other Member States) have access to all annual and other relevant reports without modification, except to the extent it is necessary to protect the privacy rights of individuals. When privacy rights are impacted, the reports may be redacted to protect individuals. However, it is not anticipated that wrongdoers cited in such reports would be entitled to privacy protections.

Prohibition on Certain U.N. Global Conferences

Of the funds authorized, subsection (d) prohibits U.S. funding of U.N. global conferences, except that it exempts conferences that were approved by the United Nations prior to October 1, 1998. The U.N. Global Conferences referred to in this section are those organized on a one-time basis with universal participation to address a single subject, such as the environment or population, outside of the normal course of regularly scheduled deliberations by existing U.N. bodies. For example, this section would have applied to the Rio Earth Summit, the Beijing Women's Conference, or the Habitat Conference. Should the U.N. schedule a conference of this kind during the two fiscal years under this Act, the United States will not fund such a conference nor any arrears related to such a conference. This section does not include conferences directed to the achievement of a binding international agreement, or other legal instrument, on a particular matter (such as the negotiation on the control and elimination of anti-personnel land mines in the U.N. Conference on anti-personnel land mines in the U.N. Conference on Conventional Weapons and the U.N. Conference on Disarmament).

Prohibition on Funding Organizations Other Than the United Nations From the United Nations Regular Budget

Of the funds authorized, subsection (e) prohibits the U.S. contribution to the United Nations regular budget from being used to fund the operating cost of organizations that have been established through a framework treaty. Such organizations are those established under separate treaties of a framework nature, composed only of parties to the treaties, having their own secretariats. This term does not include U.N. human rights treaty bodies. Should any framework treaty organization be funded out of the regular budget, the provision will require that the U.S. withhold from it U.S. assessment to the U.N. budget the United States share of the amount budgeted for such organizations.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

Section 107 authorizes appropriation of $500,000,000 in fiscal year 2000 and such sums as may be necessary for fiscal year 2001 for assessed contributions to international peacekeeping activities under United Nations auspices.

VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Section 108 authorizes $293,000,000 in fiscal year 2000 and such sums as may be necessary for fiscal year 2001 with certain limitations. Although the section does not include an earmark for a grant to UNICEF for fiscal year 2001, it is expected that such a grant should be made in the amount of at least $110,000,000.

UNITED STATES INTERNATIONAL BROADCASTING ACTIVITIES

Section 121 authorizes $385,900,000 in fiscal year 2000 and $393,618,000 in fiscal year 2001 for international broadcasting activities; $20,868,000 in fiscal year 2000 and $20,868,000 for fiscal year 2001 broadcasting capital improvements; $22,743,000 in fiscal year 2000 and $22,743,000 in fiscal year 2001 for Broadcasting to Cuba, and $24,000,000 in fiscal year 2000, and $30,000,000 in fiscal year 2001 for Radio Free Asia. Although it does not contain a further limitation for Radio and TV Marti, some note that there is increasing evidence that the Cuban dictatorship has intensified its efforts at disrupting the broadcasts of Radio Marti and TV Marti and now is receiving additional assistance toward this end from Chinese military and technical experts. It is expected that all possible efforts will be taken by the Broadcasting Board of Governors and the Office of Cuba Broadcasting to overcome these attempts, including the development and implementation of new technology and enhancement of current

methods to strengthen and improve the transmission capabilities of Radio Marti and TV Marti.

In addition, the Broadcasting Board of Governors should provide an update of the status of all lawsuits brought against the Voice of America (VOA) regarding minorities and women, and VOA's efforts in the area of minority recruitment. A written description of these issues should be provided to the appropriate committees by February 1, 2000.

DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES

OFFICE OF CHILDREN'S ISSUES

Section 201 requires the State Department to make several changes with regard to its handling of international parental abduction and other children's issues. The section requires that: (1) the Director of the office is an individual of senior rank who can ensure long-term continuity to the office; (2) the staffing levels of the office include sufficient caseworkers so that the average caseload is 75; (3) each embassy designate a point of contact on parental abduction issues and the director of the office must regularly inform the contact of cases in that country and (4) parents are regularly informed of the status of pending cases. This office has been understaffed in the past, and more effort should be devoted to assisting parents to obtain the return of, or access to, their wrongfully abducted children. The issues of this office are not receiving adequate priority in diplomatic efforts by the United States—particularly in countries which have ratified the Hague Convention on the Civil Aspects of International Child Abduction (like Austria, Germany and Sweden) but are not implementing fully their commitments under the treaty. Those countries should be encouraged to establish organizations like the National Center for Missing and Exploited Children to assist with treaty implementation.

STRENGTHENING IMPLEMENTATION OF THE HAGUE CONVENTION ON THE CIVIL ASPECTS OF INTERNATIONAL CHILD ABDUCTION

Section 202 extends and supplements existing reporting requirement for fiscal years 2000–2001. The report by the Secretary of State submitted in April 1999 pursuant to Section 2803(a) of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted by division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105–277) on compliance with the Hague Convention on the Civil Aspects of International Child Abduction failed to provide information consistent with the intent of the Congress to have a full accounting of cases of violations of, and a listing of countries that are non-compliant with, the Convention. Specifically, the report's finding that there are only 58 cases unresolved after 18 months, which fails to mention the country involved, renders the report almost useless. While stipulating that this listing of unresolved cases does not include those cases considered closed by the U.S. government, the report fails to include the criteria by which the decision to close a case is made.

This provision extends the reporting requirement to fiscal years 2000 and 2001, and expands the scope of the report in order to elicit information that will adequately inform parents and judges involved in custody cases where there is a significant possibility that a child could be removed by a non-custodial parent to a country which contains a record of non-compliance with the Hague Convention. The new information that the Congress is requesting is intended to highlight the probability that an abducted, or wrongfully retained, child can be reasonably expected to be returned from a country that is a party to the Hague Convention based on its past record of compliance, and whether access to a child, either through the orders of that country's courts, or through U.S. court orders, has been enforced by the government concerned in the past.

REPORT CONCERNING ATTACK IN CAMBODIA

Section 203 requires reports by the Secretary in consultation with the Attorney General, regarding the investigation of the March 30, 1997 grenade attack in Cambodia.

INTERNATIONAL EXPOSITIONS

Section 204 does the following: (a) requires periodic reports to the Congress from the commissioners general of major United States pavilions or exhibits; (b) requires advance notification to the relevant committees before the Department of State obligates funds which may be made available by another agency of the United States to the Department of State for a major United States pavilion or exhibit; (c) clarifies that, absent express authorization and appropriation, the support that the Department of State may provide for major pavilions or exhibits under section 102(a)(3) of the Mutual Education and Cultural Exchange Act shall be for administrative purposes only (such as contract administration, legal and other advice, and similar support) and not for operating or capital expenses; (d) amends the general prohibition against the obligation of ''any funds'' by the State Department for non-expressly-authorized major United States pavilions or exhibits to apply only to funds appropriated to the State Department; and (e) makes certain other technical changes. The reprogramming procedures will apply to notifications under subsection (c) of this section.

The United States Exhibition in Hannover, Germany

Recent reports suggest that sufficient private funds have not been raised to construct or operate the United States pavilion at the forthcoming Hannover, Germany international exposition. A clear policy has been in effect for years that taxpayer funds should not be used for the construction and operation of such pavilions. Despite that policy, commitments have been made to construct an elaborate pavilion at Hannover, even though privately raised funds are insufficient and there has been no formal request for an authorization of appropriations. There is reason to be concerned that public funds may be informally requested to construct and operate a pavilion outside normal budgetary processes, as apparently occurred in the case of the Lisbon pavilion in 1998. The Administration should address these concerns in the immediate future in communications to the relevant committees.

RESPONSIBILITY OF THE AID INSPECTOR GENERAL FOR THE INTER-AMERICAN FOUNDATION AND THE AFRICAN DEVELOPMENT FOUNDATION

Section 205 gives to the Inspector General of the United States Agency for International Development (USAID) the responsibility for the supervision, direction, and control of all audits and investigative activities relating to the programs and operations of the Inter-American Foundation (IAF) and the African Development Foundation (ADF). In the interest of ensuring the independent operations of the Inspector General, and that audits and investigations not be dependent upon the availability of funds to the IAF and the ADF, it was decided not to include a provision mandating that the IAF and ADF reimburse the Inspector General for all costs incurred with regard to audits and investigations of programs and activities of those agencies. Nonetheless, any such costs shall be reimbursed to the IG at the IG's request.

REPORT ON CUBAN DRUG TRAFFICKING

Section 206 requires the Secretary of State to report on the extent of international narcotics traffic through Cuba, the extent of involvement by the Cuban government, its agents and entities, and United States actions to investigate or prosecute such acts. The report may include an assessment of the credibility of the information, in which case it shall also include a statement of the reasons for such assessment. The section provides for a classified annex in order to ensure that the inclusion of information in the report will not compromise ongoing investigations. The exclusion from the unclassified report of ''matters occurring before the grand jury'' within the meaning of Federal Rule of Criminal Procedure 6(e) will be governed by the Rule to the same extent as the Rule would govern disclosure of such material to the public, and inclusion of such material in the classified annex shall be subject to the Rule to the same extent as the Rule would govern the sharing of such material among attorneys for the government. Information in the possession of the government which is subsequently given to a grand jury does not thereby automatically become grand jury material within the meaning of the Rule, although other considerations, such as protecting from disclosure the identities or testimony of witnesses, or information which would reveal the strategy or direction of an active investigation, is also protected by the Rule.

REVISION OF REPORTING REQUIREMENT

Section 207 reduces the frequency of a current reporting requirement regarding Iraq.

FOREIGN LANGUAGE PROFICIENCY

Section 208 requires an annual report to Congress containing data showing how many overseas positions are filled by language-qualified personnel. This reporting requirement replaces an analogous reporting provision in Section 304(c) of the Foreign Service Act of 1980.

CONTINUATION OF REPORTING REQUIREMENTS

Section 209 extends certain reports for fiscal years 2000–2001. In addition, the provision preserves certain reports that would otherwise be sunsetted by legislation enacted in 1995 repealing a number of reports government-wide.

JOINT FUNDS UNDER AGREEMENTS FOR COOPERATION IN ENVIRONMENTAL, SCIENTIFIC, CULTURAL AND RELATED AREAS

Section 210 allows the State Department to use the interest earned on funds held under bilateral agreements for scientific, cultural, and technical cooperation to pay the programmatic and administrative expenses of these programs.

REPORT ON INTERNATIONAL EXTRADITION

Section 211 requires a report by the Secretary of State 120 days after enactment regarding a review of all extradition treaties and agreements to which the U.S. is a party.

CONSULAR AUTHORITIES

MACHINE READABLE VISAS

Section 231 authorizes the collection and use of fees for up to $316,715,000 for each of fiscal years 2000–2002; fees collected above that amount are subject to reprogramming procedures.

FEES RELATING TO AFFIDAVITS OF SUPPORT

Section 232 allows the Secretary of State to charge a fee for services provided by the State Department for assistance in the preparation and filing of an affidavit of support as required by section 213A of the Immigration and Nationality Act.

PASSPORT FEES

Section 233 repeals an anachronistic provision of the Passport Act of 1920 that provided for the discretionary refund of passport fees in the event that a traveler was not able to

obtain a visa to the country of intended travel. That authority, which reflects long-outmoded passport practices, is no longer used. According to statistics provided by the Department of State, approximately twenty-eight percent of the passport fee refunds during fiscal year 1998 were to applicants determined to be non-citizens or otherwise ineligible to receive passports. Approximately ten percent were to persons who withdrew their applications, and about fifty percent of the refunds were to persons who may have been citizens but who were unable to provide acceptable documentation of their citizenship. Applicants in the latter category typically provided documents unacceptable to the Department, such as birth certificates provided by a hospital, and were deemed to have abandoned their cases after failing to respond to requests for supplementary documentation. The regulations described in this subsection will provide for the reinstatement or revival of applications without payment of an additional fee, where the application has been denied on the sole ground of inadequate documentation and such documentation is subsequently provided.

DEATHS AND ESTATES OF UNITED STATES CITIZENS ABROAD

Section 234 repeals section 1709 of the Revised Statutes (22 U.S.C. 4195) and replaces it with new provisions in the State Department Basic Authorities Act to provide a modified statutory basis for the traditional consular function of protection and conservation, and ultimately disposition, of the estates of Americans who die outside the United States in those cases where a legal representative is not appointed by the heirs or other beneficiaries within a reasonable time.

DUTIES OF CONSULAR OFFICERS REGARDING MAJOR DISASTERS AND INCIDENTS ABROAD AFFECTING UNITED STATES CITIZENS

Section 235 expands the definition of U.S. employees who may perform consular functions in connection with deaths and estates of U.S. citizens abroad.

ISSUANCE OF PASSPORTS FOR CHILDREN UNDER AGE 14

Section 236 requires the Secretary to issue regulations so that children under the age of 14 may be issued a passport only if both parents or the child's legal guardian execute the necessary documents, or a parent or guardian demonstrates sole custody or consent of the other parent or guardian. The Secretary may by regulation provide for exceptions to this requirement in the event of exigent or special family circumstances. These exceptions are not designed to become, in practice, gaping loopholes that would swallow the new rule created by this section. Rather, they are designed to provide flexibility to the Secretary in appropriate cases.

PROCESSING OF VISA APPLICATIONS

Section 237 states that it shall be the policy of the State Department: (a) to process visa applications of immediate relatives and fiances of U.S. citizens within 30 days of receiving all necessary documents; and (b) to process applications sponsored by someone other than an immediate relative within 60 days. It also directs the Department to report every six months on the extent to which it is meeting these standards, and to establish a joint task force with other Federal agencies to reduce the overall processing time for visa applications.

FEASIBILITY STUDY ON FURTHER PASSPORT RESTRICTIONS ON INDIVIDUALS IN ARREARS ON CHILD SUPPORT

Section 238 requires the Secretary report on the costs and benefits of a reduction to $2,500 from $5,000 the amount of arrears for child support that would trigger a denial of a passport under existing law (sec. 452(k) of the Social Security Act).

REFUGEES

UNITED STATES POLICY REGARDING THE INVOLUNTARY RETURN OF REFUGEES

Section 251 carries over and slightly expands a provision of the Fiscal Year 1998–99 Foreign Relations Authorization Act prohibiting the use of funds for the involuntary return of any person to a country in which that person contains a well-founded fear of persecution, and requiring notification to Congress when such funds are used for involuntary repatriation of persons deemed to be non-refugees.

HUMAN RIGHTS REPORTS

Section 252 is a technical amendment. Information in the annual Country Reports on Human Rights Practices on the extent to which countries extend protection to refugees is already required by the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996 (P.L. 104–319). However, that statute only modified one of the two provisions in the Foreign Assistance Act dealing with the Country Reports. This section corrects that oversight by modifying the other section.

GUIDELINES FOR REFUGEE PROCESSING POSTS

Section 253 corrects two technical oversights in the refugee protection provisions of the International Religious Freedom Act of 1998 (P.L. 105–292). Although section 602(c) of the Act charged both the Attorney General and the Secretary of State to develop guidelines to address hostile biases in refugee processing, it referred only to biases of INS personnel. This section adds a reference to State Department personnel in the appropriate place. In addition, the Act prohibited the use of agents of persecuting governments to interpret conversations of persons seeking asylum in the United States. This section extends that prohibition to the overseas refugee adjudication process, and to agents of persecuting governments performing any function that could endanger the safety of the applicant or otherwise compromise the integrity of the process.

GENDER RELATED PERSECUTION TASK FORCE

Section 254 requires the Secretary to establish the task force in consultation with the Attorney General with the goal of determining eligibility guidelines for women seeking refugee status overseas due to gender-related persecution.

VIETNAMESE REFUGEES

An earlier House-passed provision regarding refugees was not included in this bill on the basis of assurances that U.S. refugee programs in Viet Nam will be conducted in accordance with most of the conditions set forth in section 274 of the House bill. Section 255, however, contains a provision designed to address one of the issues addressed by section 274. It extends through fiscal 2001 the McCain Amendment, which restores eligibility for U.S. refugee resettlement to certain sons and daughters of Vietnamese re-education camp survivors, and also provides such eligibility for sons and daughters who were denied the right to resettle in the United States because their government-issued residency documents did not prove ''continuous coresidency'' with their parents.

The Administration's decision that refugee programs in Viet Nam (as well as other closely related programs) will be directed by a Refugee Coordinator who will report directly to the Deputy Principal Officer at the Consulate General in Saigon and receive policy guidance from the Assistant Secretary for Population, Refugees, and Migration is appreciated. It is also important that these programs will use expatriate interpreters and case workers, so that refugee applicants will no longer be required to describe their persecution at the hands of the Vietnamese government in the presence of persons employed by or through that same government. The Administration's plan to send a special team of INS officers, similar in composition and training to the teams that adjudicated the ROVR cases, to interview former United States Government employees who have not yet been interviewed, and to use the results of these interviews in deciding whether to reopen the cases of former USG employees who may have been improperly denied is strongly supported.

It is encouraging that the Department of State intends to contract with a non-governmental organization with expertise in refugee resettlement for the retention of an ''NGO Advisor'' to assist the Refugee Coordinator and to help ensure transparency in our Vietnamese refugee programs. It remains a matter of deep concern that the Department decided to terminate its Joint Voluntary Agency (JVA) contract with the International Catholic Migration Commission, which was the most refugee-friendly component in the old ODP program. Members of Congress will continue to monitor carefully whether the new ''Refugee Resettlement Unit'' is an adequate substitute. If not, Members of Congress will urge the Department to reinstitute a JVA arrangement for our Vietnamese refugee programs. The Administration's position that U.S. refugee programs should focus primarily on identifying and rescuing persons who have recently been persecuted and/or who are at risk of future persecution rather than those who suffered persecution in the distant past is supported. The guidelines prepared by the Department and the INS for the new in-country refugee program in Viet Nam will be a solid basis for such a program provided they are generously interpreted and applied. Assurances were made that this program will not be limited to a few ''high profile'' cases, but will be implemented so as to identify and offer resettlement to any Vietnamese national who can show that he or she has experienced recent persecution or has a well-founded fear of future persecution on account of race, religion, nationality, political opinion, or membership in a particular social group.

There is strong support for the view that the focus on the new program cannot justify peremptory treatment of applicants who may have been wrongly denied under existing programs, or who may never have had genuine access to such programs. The new program is strongly supported on its merits, but it is also important for the United States to keep its promises, both express and implied. The Administration's assurance that Montagnard combat veterans who fulfill the requirements for the ''HO'' subprogram of the Orderly Departure Program (ODP)—which include at least three years of detention in ''re-education camps''—will no longer be denied resettlement on the sole ground that in addition to their pre-1975 military service, they continued to fight the Communists after 1975 is encouraging. These applicants have been rejected on the ground that their subsequent punishment by the Communists must have been solely on account of their post-1975 activities rather than for their wartime service alongside U.S. forces. The Administration's commitment to review the cases of Montagnards who were previously registered for consideration for refugee resettlement but found not qualified for interview because part or all of their re-education time was judged not to be associated with pre-1975 U.S. government policies or practices is a positive development. The Administration has agreed to implement this

review not only for Montagnards who applied on or before the ODP deadline and have not yet been interviewed, but also for any previously registered Montagnards who contact the State Department and request review of their cases during a specified period of time. It is understood and expected that the specified period of time will be approximately one year beginning on or about January 1, 2000.

Note has been taken of the Administration's agreement with respect to allied combat veterans whose detention began a few days prior to April 30, 1975 (the date of the fall of Saigon) because they were located in places such as Hue or Da Nang, which fell to the Communists before Saigon. These veterans have been wrongfully rejected on the ground that they were ''prisoners of war'' rather than re-education camp inmates. The Administration has agreed not to apply this rule against any applicants who applied on or before the ODP deadline and not yet interviewed. The Administration is urged to reconsider its decision not to review and reverse previous denials based on this hypertechnical rule.

The undertaking by the U.S. Immigration and Naturalization Service (INS) to promulgate written guidance with respect to requests for reconsideration and/or reopening of denied refugee applications is appreciated. It is understood that the INS will issue guidelines which will assure that each applicant understands why his or her case was denied, both in the initial adjudication and in the event of a denial of a request for reconsideration or reopening, and that will ensure transparent and fair adjudication of such requests. It is expected that these guidelines will resolve various cases in which reconsideration has been denied although the original denial was clearly contrary to the interest of justice. Examples of such cases include those in which the adjudicator found that a family relationship was not proved, but in which the relationship can now be established by DNA tests; in which the denial was based on doubts about the validity of a document and in which the applicant can subsequently provide extrinsic evidence of the validity of the document; and in which an applicant recounts instances of persecution which would establish a prima facie case for refugee status, but which he or she was unwilling or unable to recount in the presence of an interpreter whom the applicant reasonably believed to be an agent of the persecuting government.

Finally, many members of Congress strongly disagree with the Administration's refusal to reopen cases of applicants who missed the deadline for the ODP and ROVR programs due to circumstances beyond their control. According to refugee advocates, many of the people who missed the 1994 ODP deadline, including Montagnards in remote areas of the Central Highlands as well as re-education camp survivors who had been sentenced to internal exile in equally remote New Economic Zones, had no way of knowing about the deadline. Others were denied access to the program by brutal and/or corrupt local officials. Many of these people suffered terribly for their wartime associations with the United States. They then heeded our admonitions not to leave Viet Nam illegally by land or sea, choosing instead to wait patiently for their turn to resettle in the United States. The recent normalization of the U.S.-Viet Nam diplomatic relationship should have been used as an opportunity to get access to these people. Similarly, some Vietnamese asylum seekers appear to have been effectively prevented from signing up for ROVR because they were detained away from the registration sites. Others appear to have been misinformed about the ROVR criteria, or even denied the right to register, by host country officials who were themselves misinformed about the program. Some refugees in Thailand were even threatened with punishment upon return to Vietnam by an official Vietnamese delegation visiting their camp for the ostensible purpose of encouraging return under the ROVR program. Many members of Congress continue to believe that the Administration should consider on the merits all cases of eligible applicants who missed program deadlines for these and other compelling reasons.

ORGANIZATION AND PERSONNEL OF THE DEPARTMENT OF STATE

ORGANIZATION MATTERS

LEGISLATIVE LIAISON OFFICES OF THE DEPARTMENT OF STATE

Section 301 requires the Department of State to develop a plan for establishing legislative liaison offices for the Department that would be based on Capitol Hill.

STATE DEPARTMENT OFFICIAL FOR NORTHEASTERN EUROPE

Section 302 requires the designation of a senior official from within the State Department to coordinate U.S. policy with regard to Northeastern Europe.

SCIENCE AND TECHNOLOGY ADVISER TO SECRETARY OF STATE

Section 303 requires the Secretary to designate a science and technology adviser with relevant experience within the Department of State.

APPLICATION OF CERTAIN LAWS TO PUBLIC DIPLOMACY FUNDS

Section 304 rewrites section 1333(c) of the Foreign Affairs Reform and Restructuring Act of 1998, to ensure that statutory restrictions on the use of public diplomacy funds will continue to apply either if funds are specifically authorized, or if funds are notified in a Congressional Presentation Document or reprogrammed for public diplomacy purposes. As a this division does not include a separate authorization for public diplomacy funds. The substitute also reiterates that these restrictions will not impede the integration of USIA into the Department of State.

Specifically, this section amends section 1333 so that the Smith-Mundt and Zorinsky provisions will apply to all funds identified as public diplomacy funds in the Department's Congressional Presentation Document (CPD) or in any reprogramming of funds for public diplomacy purposes. The amendment also adds a new paragraph on construction of the provision. In particular, it provides that the provisions of section 1333(c) do not supersede existing reprogramming procedures. This provision is intended only to make clear that if, subsequent to the submission of the CPD, the Administration submits a reprogramming notification in accordance with the procedures that apply to a reprogramming of funds under section 34 of the State Department Basic Authorities Act, funds reprogrammed pursuant to such a notification for purposes other than public diplomacy will not be subject to the Smith-Mundt and Zorinsky restrictions on account of their previous identification as public diplomacy funds in a CPD.

DIPLOMATIC TELECOMMUNICATIONS SERVICE PROGRAM OFFICE

Section 305 authorizes $18 million for enhancement of Diplomatic Telecommunications Service capabilities to be available until a comprehensive chargeback system is in place. In addition the provision requires the Diplomatic Telecommunications Service Program Office (DTS–PO) to: 1) ensure that enhancements of telecommunications capabilities be done with a priority on national security interests; 2) terminate leases for satellite systems located at posts in criteria countries be done not later than December 31, 1999, unless certain conditions are met; 3) institute a system of charges for utilization of bandwidth, and a chargeback system to recover the costs of telecommunications services provided to other federal agencies; 4) ensure that DTS–PO policies and procedures comply with those established by the Overseas Security Policy Board; and 5) maintain the allocation of the positions of Director and Deputy Director of DTS–PO as assigned as of June 1, 1999. Finally, it requires a report by the Director and Deputy Director of DTS–PO regarding the plan for improving specific communications capabilities.

PERSONNEL OF THE DEPARTMENT OF STATE

AWARDS OF FOREIGN SERVICE STARS

Section 321 modifies the State Department Basic Authorities Act of 1956 to create the Foreign Service Star award. The Foreign Service Star may be awarded by the President to any member of the Foreign Service or other federal employee who is wounded, injured, or contracts an illness while employed in an official capacity overseas. The Secretary of State will determine the procedures for awarding the Foreign Service Star, as well as selecting those to be recommended for the award. Flexibility is provided to the Secretary as to the date of the incident for which the award is being given.

UNITED STATES CITIZENS HIRED ABROAD

Section 322 deletes a statutory requirement that U.S. citizens hired locally by overseas posts be provided a total compensation package that has ''the equivalent cost to that received by foreign national employees occupying the similar position at post.''

LIMITATION ON PERCENTAGE OF SENIOR FOREIGN SERVICE ELIGIBLE FOR PERFORMANCE PAY

Section 323 reduces the percentage of members of the senior Foreign Service who can receive performance pay in a fiscal year from 50 percent to 33 percent.

PLACEMENT OF SENIOR FOREIGN SERVICE PERSONNEL

Section 324 requires a regular report on the placement of Senior Foreign Service Officers.

REPORT ON MANAGEMENT TRAINING

Section 325 requires the Secretary of State to produce a report to Congress regarding modifications to existing training programs so as to provide Department employees with ''significant and comprehensive management training at all career grades for Foreign Service personnel.''

WORKFORCE PLANNING FOR FOREIGN SERVICE PERSONNEL BY FEDERAL AGENCIES

Section 326 requires the Secretary of State to submit a report to the Congress every four years that describes the workforce plan for the following 5-year period, and that outlines the steps taken to promote uniform policies among agencies utilizing the Foreign Service personnel system.

RECORDS OF DISCIPLINARY ACTIONS

Section 327 requires that any disciplinary action of a Foreign Service member requiring more than five-days suspension from the Foreign Service be included in the member's personnel file until tenured or next promoted.

LIMITATION ON SALARY AND BENEFITS FOR MEMBERS OF THE FOREIGN SERVICE RECOMMENDED FOR SEPARATION FOR CAUSE

Section 328 requires the Secretary to place a Foreign Service Member on leave without pay if that individual is recommended for separation from the Service for cause.

TREATMENT OF GRIEVANCE RECORDS

Section 329 amends the Foreign Service Act of 1980 to ensure that proper documentation of disciplinary action is available to tenure and selection boards, by permitting the placement in the performance file of an employee who has been disciplined a notice that the discipline has been reviewed and sustained by the Foreign Service Grievance Board.

DEADLINES FOR FILING GRIEVANCES

Section 330 reduces from three years to two years the time for filing a grievance. It does provide flexibility of an additional year for members who are filing a grievance regarding an evaluation if the Foreign Service member is still supervised by the reviewer or rater of the evaluation.

REPORTS BY THE FOREIGN SERVICE GRIEVANCE BOARD

Section 331 requires the Foreign Service Grievance Board to compile information regarding its cases, and provide an annual report regarding the Board's activities during the previous year.

EXTENSION OF USE OF FOREIGN SERVICE PERSONNEL SYSTEM

Section 332 permits the State Department to allow non-State Department agencies to use the Foreign Service Act to appoint individuals abroad and to use the Foreign Service personnel system for those employees.

BORDER EQUALIZATION PAY ADJUSTMENT

Section 333 amends the Foreign Service Act of 1980 to provide for payment of a border equalization adjustment to an employee who regularly commutes from his or her home in the U.S. to an official duty station in Canada or Mexico. The adjustment is equal to the amount that the employee would receive as locality pay (under section 5304 of title 5, United States Code) if assigned to an official duty station within the United States locality pay area closest to the employee's official duty station. This provision was contained in the Fiscal Year 1999 Commerce, Justice, State Department Appropriations Act; this section would make the authority permanent.

TREATMENT OF CERTAIN PERSONS REEMPLOYED AFTER SERVICE WITH INTERNATIONAL ORGANIZATIONS

Section 334 provides the full scope of retirement benefits to Federal employees who transfer to international organizations under 5 U.S.C. 3582 by allowing such employees to participate in the Thrift Savings Plan (''TSP'') for the period of their transfer to the international organization. This section amends the Thrift Savings provisions of Title 5 to allow persons who transfer to international organizations the ability to make up missed TSP contributions after they are re-employed in Federal service. The employee's make-up contributions are limited by the maximum annual employee contribution for the year in which the contributions would have been made. This section also provides that, with respect to persons covered under the 'new' retirement systems, the employing agency provides associated agency automatic contributions and retroactive matching contributions, as well as lost earnings on the agency contributions.

TRANSFER ALLOWANCE FOR FAMILIES OF DECEASED FOREIGN SERVICE PERSONNEL

Section 335 allows the Department to pay a ''transfer allowance'' (which covers certain costs associated with returning home to the United States) to surviving family members of overseas employees who are killed in the line of duty.

PARENTAL CHOICE IN EDUCATION

Section 336 allows certain overseas employees to elect to send their dependents to schools away from post at government expense, so long as the cost does not exceed the cost to the government of sending those dependents to adequate schools at the post of the employee.

MEDICAL EMERGENCY ASSISTANCE

Section 337 permits an advance of up to 3 months' pay to an employee who must undergo certain types of medical treatment abroad.

REPORT CONCERNING FINANCIAL DISADVANTAGES FOR ADMINISTRATIVE AND TECHNICAL PERSONNEL

Section 338 requests that the Department prepare a report for the Congress on the financial disadvantages suffered by administrative and technical personnel posted to U.S. missions abroad as a result of their not having diplomatic status.

STATE DEPARTMENT INSPECTOR GENERAL AND PERSONNEL INVESTIGATIONS

Section 339 requires the State Department Inspector General when conducting criminal investigations to abide by professional standards applicable to all law enforcement agencies and to provide subjects of investigations an opportunity to provide exculpatory information. In addition the provision mandates that the Inspector General report to Congress the instances when persons named in a report were not provided an opportunity to refute allegations or assertions made about the person in a final report of investigations. This section clarifies that the Inspector General must provide an opportunity to comment on allegations of wrongdoing or assertions regarding a material fact when they are set out in a final report of investigation. In addition, this section makes clear that failure to comply with this section does not give rise to any private right of action. This section makes several additional changes.

The term ''Final Report of Investigation'' as used in the provision means the written document produced by the Office of the Inspector General at the conclusion of the investigative phase of a case which is thereafter transmitted to the Department of Justice or Bureau of Personnel for possible prosecutorial or administrative action. Initial referrals or summaries provided to the Department of Justice by the Inspector General do not constitute a ''Final Report of Investigation'' as used in this amendment. This section is not intended to impede the development of a criminal prosecution by the Department of Justice.

In addition the notification required by new subparagraph (F) of section 209(d)(2) of the Foreign Service Act may summarize briefly the cases where the Inspector General did not afford an opportunity to refute the allegation of wrong doing or assertion of material fact.

STUDY OF COMPENSATION FOR SURVIVORS OF TERRORIST ATTACKS OVERSEAS

Section 340 requires the President to examine and report on the current benefit structure of survivors of U.S. government employees who are killed while serving abroad. The purpose is to evaluate whether the benefits are adequate, fair, and equitably distributed.

PRESERVATION OF DIVERSITY IN REORGANIZATION

Section 341 amends the Foreign Affairs Reform and Restructuring Act of 1998 to ensure women and minorities are not adversely affected by the reorganization while maintaining the flexibility to transfer all employees throughout the Department of State.

UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS

EDUCATIONAL AND CULTURAL EXCHANGES AND SCHOLARSHIPS FOR TIBETANS AND BURMESE

Section 401 extends the authorization for the exchange and scholarship programs for Tibetan and Burmese exiles (contained in Public Law 104–319, the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996) through fiscal years 2000 and 2001. It also renames the Tibetan exchange program after Ngawang Choephel, the Fulbright Scholar and ethno-musicologist who is now serving a fifteen-year prison sentence on false charges brought by the Chinese government.

CONDUCT OF CERTAIN EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Section 402 revises the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996. Subsection (a) is intended to ensure that programs of exchange with countries whose people do not fully enjoy freedom and democracy shall afford opportunities for significant participation for human rights and democracy leaders in such countries as well as to other persons who are committed to advancing human rights and democratic values. The term ''where appropriate'' in this section is intended solely to make clear that the section does not mandate significant participation by such persons in exchanges whose subject matter does not lend itself to such participation. The section does not require significant participation by human rights and democracy advocates in every single exchange with a country described in the section, but only that the programs in each such country, viewed in the aggregate, afford the opportunity for significant participation for such persons.

It is particularly important to note that the term ''where appropriate'' is not intended to allow the denial of participation in U.S. exchanges to human rights and democracy advocates possessing the requisite academic or professional qualifications on the grounds that such participation would cause political or diplomatic difficulties for the Department or for an exchange grantee organization.

The inclusion of human rights and democracy leaders or persons committed to the advancement of human rights and democratic values in U.S. exchange programs may in some cases involve an element of risk for the participant. The Department should take all appropriate steps to ensure that the personal safety of the participant is not compromised by inclusion in such a program.

Subsection (b)(2) calls on the Department to consider, in selecting grantee organizations for such programs, the willingness and ability of the organization to ensure that the governments of the countries described in the section do not have ''inappropriate influence'' in the process of selecting participants. This provision requires, among other requirements, that grantee organizations not select individual participants who are so thoroughly committed to the suppression of human rights and democracy that their selection could create an impression that the United States condones such suppression.

Finally, this section amends section 102 of the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996 to eliminate the illustrative list of countries whose people do not fully enjoy freedom and democracy. This list is unnecessary in light of the clear application to these and other countries of the generic description contained in the section. The elimination of the list is not intended to imply that the people of any of the listed countries now fully enjoy freedom and democracy.

NATIONAL SECURITY MEASURES

Section 403 requires the State Department to take appropriate steps to ensure that foreign espionage agents do not participate in U.S.-funded exchange programs.

SUNSET OF UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY

Section 404 provides the U.S. Advisory Commission on Public Diplomacy with an additional two years of operation prior to sunsetting the authority. The Commission will operate at half the current staff and operating costs. The Commission will become a standard State Department advisory committee when its statutory authority sunsets at the end of fiscal year 2001.

ROYAL ULSTER CONSTABULARY

Section 405 addresses certain training programs. For the past several years, the Federal Bureau of Investigation has conducted training programs for members of the Royal Ulster Constabulary (RUC) at the National Academy training program in Quantico, Virginia. This section requires that before further FBI or other federal law enforcement training for RUC members takes place, the President must submit a report on the FBI training for RUC members over the past five fiscal years. The President also must certify that the training is necessary and includes a significant human rights component, and that vetting procedures have been established to ensure that RUC members who had substantial knowledge of human rights violations or harassment of defense attorneys but failed to act on this knowledge are not included in the training program.

Such training should be conducted in a manner that supports the implementation of the September 1999 report issued by the Independent Commission on Policing for Northern Ireland. The report set forth 175 recommendations for the establishment of a new police service in Northern Ireland in the context of a peaceful resolution of the ''Troubles'' in Northern Ireland. One of the recommendations was a suggestion that ''[i]nternational training exchanges should be further developed, focusing in particular on matters where the police in Northern Ireland need overseas police cooperation and on best practice developments in policing worldwide.'' (Recommendation 169).

RUSSIAN AND UKRANIAN BUSINESS MANAGEMENT EDUCATION

Sections 421–426 authorize $10,000,000 to provide training programs in Russia and Ukraine for their nationals to obtain skills in business administration, accounting, and marketing, with special emphasis on instruction in business ethics and in the basic terminology, techniques, and practices of those disciplines in order to achieve international standards of quality, transparency, and competitiveness.

UNITED STATES INTERNATIONAL BROADCASTING ACTIVITIES

REAUTHORIZATION OF RADIO FREE ASIA

Section 501 extends the sunset of Radio Free Asia for 10 years and provides for a cap of $30 million for fiscal years 2000 and 2001 to operate Radio Free Asia.

NOMINATION REQUIREMENTS FOR THE CHAIRMAN OF THE BROADCASTING BOARD OF GOVERNORS

Section 502 modifies the provision of law creating the Broadcasting Board of Governors, which oversees all U.S. government-sponsored international broadcasting. The section subjects the designation of the position of Chairman of the Broadcasting Board of Governors to Senate advice and consent. Current law provides that all members are subject to Senate confirmation, but the President may designate any of these members as chairman at any time. Given that the Board became an independent entity in October, pursuant to the Foreign Affairs Reform and Restructuring Act of 1998, the Committee believes the appointment of the Chairman of the Board should be subject to Senate confirmation.

PRESERVATION OF RFE/RL (RADIO FREE EUROPE/RADIO LIBERTY)

Section 503 repeals a 1994 ''sense of Congress'' provision that RFE/RL should receive no U.S. government support after fiscal year 1999 and replaces it with a provision that would support RFE/RL broadcasting so long as certain specified conditions do not occur.

IMMUNITY FROM CIVIL LIABILITY FOR BROADCASTING BOARD OF GOVERNORS

Section 504 provides the same immunity to the Broadcasting Board of Governors when acting with regard to RFE/RL and Radio Free Asia (RFA) matters as they would have when acting as the Broadcasting Board of Governors.

EMBASSY SECURITY AND COUNTERTERRORISM MEASURES

SHORT TITLE

Section 601 states that this title may be cited as the ''Secure Embassy Construction and Counterterrorism Act of 1999''.

FINDINGS

Section 602 sets forth findings regarding the bombing of the U.S. Embassies in Dar es Salaam, Tanzania, and Nairobi, Kenya in August 1998, and the subsequent investigation by the State Department Accountability Review Boards, which were chaired by Admiral William Crowe, USN (ret.).

UNITED STATES DIPLOMATIC FACILITY DEFINED

Section 603 defines the term ''United States diplomatic facility'' to track with those used to notify foreign governments of U.S. diplomatic presence. This definition extends to other agencies that have a bilateral agreement with the host government so long as the records are contained in the State Department records. It is expected that the State Department will ensure it retains a record of all such agreements in its files so that this provision will have the broad application to U.S. agencies that is intended.

AUTHORIZATIONS OF APPROPRIATIONS

Section 604 authorizes $900 million in each of fiscal years 2000, 2001, 2002, 2003, and 2004 for Embassy Security, Construction and Maintenance. It also provides that any amounts which are authorized in a particular fiscal year, but for which the full amount is not appropriated in that fiscal year, carry forward and remain available in subsequent fiscal years until such amounts are appropriated.

OBLIGATIONS AND EXPENDITURES

Section 605 contains several provisions designed to ensure that funds appropriated to the Embassy Security, Construction and Maintenance Account are used only for (1) the intended purpose and (2) high priority projects.

Subsection (a) provides that funds be made available only for new construction or major security enhancements needed to bring U.S. diplomatic facilities into compliance with security standards. The Secretary of State is required to submit an annual report on the facilities that are a priority for replacement because of their vulnerability to terrorist attack. The report must list such facilities in groups of 20. The groups of 20 must then be ranked in order of most to least vulnerable. Funds made available in the account may only be used for those facilities in the first four groups—that is, the 80 most vulnerable facilities.

However, there are some exceptions: (1) The substitute provides an exception to the requirement that funds be used only for the first 80 facilities or posts on the list of facilities that are a priority for replacement. The amendment provides that the list required by subsection (a) may contain either diplomatic facilities or diplomatic and consular posts. This change is intended to allow the Department to identify either a single facility, or a city where a number of facilities are located, as occupying a single place on the list. (2) In addition, funds may be used for facilities beyond that list in two circumstances. First, if Congress authorizes or appropriates for a specific diplomatic facility, the Department may proceed with acquisition of such a facility even if it is not on the list. This exception recognizes that the President and the Secretary of State may request funds for acquisition of a new facility in the budget request. If Congress approves funds for that aspect of the budget request in a future authorization or appropriations bill, either specifically or in a lump sum authorization or appropriation, the Department may move forward with acquisition of the facility. Second, the exception applies if the Secretary notifies the appropriate congressional committees that the Department intends to use funds for such a facility in accordance with the procedures applicable to a reprogramming of funds under section 34 of the State Department Basic Authorities Act.

Subsection (b) prohibits the transfer of funds from this account.

Subsection (c) requires semiannual reports on obligations and expenditures from the account, projected obligations and expenditures, and the status of ongoing projects.

SECURITY REQUIREMENTS FOR UNITED STATES DIPLOMATIC FACILITIES

Section 606 identifies new security requirements with respect to United States diplomatic facilities. These new requirements, which are based on recommendations of the Accountability Review Board, are specifically focused on the threat of large vehicular bombs.

The section requires: (1) the Emergency Action Plan of each United States mission to address the threat of large explosive attacks vehicles and the safety of employees during such an attack; (2) that the State Department Security Environment Threat List contain a section that addresses potential acts of international terrorism against United States diplomatic facilities based on threat identification criteria that emphasize the threat of transnational terrorism, host government support and other relevant factors; (3) the State Department, in selecting sites for diplomatic facilities, to adhere to its existing security standard (set forth in 12 Foreign Affairs Handbook-5) requiring that all U.S. government offices and activities subject to the authority of the Chief of Mission be located in the same chancery buildings or on the same compound. Exceptions can be granted if the Secretary of State certifies to Congress that it is in the national interest of the United States to do so. This authority cannot be delegated by the Secretary of State; (4) each newly acquired or constructed U.S. diplomatic facility to be situated not less than 100 feet from the perimeter of the property on which the facility is situated. An exception can be granted if the Secretary of State certifies to Congress that it is in the national interest of the United States to do so. In addition to this primary threat, more attention should be given to providing integrated, real-time chemical and biological agent detection and identification, which is critical to protecting diplomatic facilities. The State Department should also evaluate the possibility of integrating a detection capability for chemical and biological weapons, and immediate action response to such a detection, in the physical security procedures of diplomatic facilities overseas; (5) the State Department to conduct crisis management training for State Department Headquarters personnel, as well as personnel serving in facilities overseas; (6) the State Department to provide sufficient support to the

Foreign Emergency Support Team (FEST) to identify personnel to serve on the FEST as a collateral duty, conduct routine training exercises, and provide any additional support that may be necessary to make the FEST more effective in a post-crisis environment; (7) the President to develop a plan to replace on a priority basis the current FEST aircraft funded by the Department of Defense with a reliable replacement and backup aircraft. Not later than 60 days after the enactment of this act, the President shall submit to Congress a report describing the aircraft selected pursuant to this provision; (8) the Secretary of State to enter into a memorandum of understanding with the Secretary of Defense to better coordinate the requirements for a more effective rapid response procedure in times of emergency with respect to US diplomatic facilities; (9) all United States diplomatic facilities to maintain emergency equipment and records required stored at an offsite facility in case of an emergency situation; and (10) fitness standards be implemented for diplomatic security agents.

This section clarifies that waivers required for collocation and setback may not be delegated in the case of chancery and consulate buildings. All other cases may be delegated, but those decisions will still be made by senior State Department officials. This flexibility was added with the expectation that waivers used by the Secretary would be infrequent and therefore considered more seriously in the instances such a waiver is exercised. The grant of authority to delegate has been provided to the State Department only and has not been provided to other federal agencies for decisions regarding collocation. In this context, ''chancery and consulate buildings'' means a building solely or substantially occupied by the U.S. Government that is newly constructed or otherwise acquired where the main business of the U.S. Government is performed in that city. For example, the American Presence Posts are regarded as ''consulates'' but do not perform the same tasks and are intended to operate with one or two American employees.

AUTHORITY TO LEASE AIRCRAFT TO RESPOND TO A TERRORIST ATTACK ABROAD

Section 606(a)(7) provides the FBI with the authority for indemnification in the event of leasing aircraft pursuant to the authority provided for in the Commerce-State-Justice-and the Judiciary Appropriation Act for fiscal year 2000.

REPORT ON OVERSEAS PRESENCE

Section 607 requires the Secretary of State to review the report of the Overseas Presence Advisory Panel, which, according to its Charter, was charged with preparing a report recommending the criteria by which the Department, working with Chiefs of Mission, might determine the location, size, and composition of overseas posts in the coming decade. The Panel was also tasked with proposing a multi-year funding program for the Department to achieve the appropriate U.S. presence overseas.

The Panel issued its report on November 5, 1999. After reviewing the work of the Panel, the Secretary is required by this section to submit to Congress a report responding to that review and specified items, regardless of whether these are addressed by the Overseas Presence Panel. The Secretary's report will determine whether any U.S. diplomatic facility should be closed due to high vulnerability to terrorist threat and if adequate security enhancements cannot be provided to that facility. It will contain an analysis of the concept of regional facilities and recommend whether such a concept should be implemented at appropriate diplomatic facilities.

ACCOUNTABILITY REVIEW BOARDS

Section 608 modifies Section 301 of the Omnibus Diplomatic Security and Antiterrorism Act of 1986, which requires the convening of Accountability Review Boards to examine an instance of serious injury, loss of life, or significant destruction of property at or related to a U.S. government mission abroad, or in case of serious breach of security involving intelligence activities of a foreign government. Under current law, there is no deadline for the convening of a board following such an event. This provision requires the Secretary of State to convene a board within 60 days of the event, and allows two 30-day extensions of this deadline. This provision does not apply to breaches of security involving intelligence activities.

INCREASED ANTITERRORISM TRAINING IN AFRICA

Section 609 requires a report by the Secretary on the establishment of an International Law Enforcement Academy in Africa.

INTERNATIONAL COMMISSIONS AND ORGANIZATIONS OTHER THAN THE UNITED NATIONS

INTERPARLIAMENTARY GROUPS

Section 701 provides technical changes to the name of the Transatlantic Legislators' Dialogue and the North Atlantic Assembly.

AUTHORITY OF THE INTERNATIONAL BOUNDARY AND WATER COMMISSION TO ASSIST STATE AND LOCAL GOVERNMENTS

Section 702 permits the U.S. Section of the International Boundary and Water Commission to provide tests, surveys, and other services on a reimbursable basis to state or local governments that request them. Reimbursements will be credited to the appropriation from which the cost of providing the services is paid.

INTERNATIONAL BOUNDARY AND WATER COMMISSION

Section 703 authorizes the International Boundary and Water Commission (IBWC) to use contributions from binational organizations for projects along the U.S.-Mexico border. It would also allow the U.S. section of the IBWC to apply a user fee toward operations and maintenance of the bridge between El Paso, Texas, and Juarez, Mexico.

SEMIANNUAL REPORTS ON UNITED STATES SUPPORT FOR MEMBERSHIP OR PARTICIPATION OF TAIWAN IN INTERNATIONAL ORGANIZATIONS

Section 704 requires semiannual reports, with a classified annex, from the Secretary of State on the United States government's efforts to boost efforts toward Taiwan's appropriate membership or participation in international organizations.

RESTRICTION RELATING TO UNITED STATES ACCESSION TO THE INTERNATIONAL CRIMINAL COURT

Section 705 prohibits funding for use by, or in support of the International Criminal Court, without Senate advice and consent to the treaty establishing the Court. On July 17, 1998 a majority of nations at the U.N. Diplomatic Conference in Rome, Italy, on the Establishment of an International Criminal Court voted 120–7, with 21 abstentions, in favor of a treaty that would establish an international criminal court. The court is empowered to investigate and prosecute war crimes, crimes against humanity, genocide and aggression. The United States voted against the treaty.

PROHIBITION ON EXTRADITION OR TRANSFER OF UNITED STATES CITIZENS TO THE INTERNATIONAL CRIMINAL COURT

Section 706 prohibits the use of funds to extradite any U.S. citizen to a foreign country that is under an obligation to surrender individuals to the International Criminal Court unless that country provides direct assurances to the United States that applicable prohibitions in existing extradition treaties apply to such surrender or gives other satisfactory assurances to the United States that it will not transfer that individual to the International Criminal Court (ICC). This section also bars the United States from providing consent to the transfer of such individual to a third country under an obligation to surrender persons to the ICC unless that third country confirms to the United States that applicable prohibitions on reextradition apply or gives other satisfactory assurances to the United States that it will not transfer that individual to the ICC.

REPORTS REGARDING FOREIGN TRAVEL

Section 707 extends the reporting requirement to fiscal years 2000–2001 and changes the reporting dates to January 31 and July 31 of each year with regard to travel by the Executive Branch for purposes of diplomatic conferences.

UNITED STATES REPRESENTATION AT THE INTERNATIONAL ATOMIC ENERGY AGENCY

Section 708 eliminates the Washington-based representative to the International Atomic Energy Agency (IAEA) and shifts those duties to the existing post of U.S. Representative to U.N. agencies based in Vienna.

UNITED NATIONS ACTIVITIES

UNITED NATIONS POLICY ON ISRAEL AND THE PALESTINIANS

Section 721 supports United States policy of seeking to end the inequity that Israel be denied participation in a regional bloc at the United Nations and therefore the opportunity of a rotating seat on the Security Council of the United Nations.

This section also supports a United States policy seeking to abolish certain groups within the United Nations, such as the Committee on the Exercise of the Inalienable Rights of the Palestinian People which reflects an anti-Israel bias.

Annual reports and consultations with the Congress on actions to accomplish the stated policies are also a requirement.

DATA ON COSTS INCURRED IN SUPPORT OF UNITED NATIONS PEACEKEEPING OPERATIONS

Section 722 requires the United States to report annually to the United Nations on the total costs of United States Department of Defense activities in support of Security Council resolutions—including assessed, voluntary and incremental costs. The section also requires the United States to request that the United Nations prepare and publish a report that compiles similar information for other United Nations member states. This comprehensive reporting will quantify all costs to the United States for peacekeeping activities, and enable the Congress to consider those costs in relation to the proposed operation or expansion of an operation prior to action by the United Nations Security Council.

REIMBURSEMENT FOR GOODS AND SERVICES PROVIDED BY THE UNITED STATES TO THE UNITED NATIONS

Section 723 is intended to ensure that the U.S. Government is reimbursed by the United Nations in a timely manner for military assistance it provides in support of the United Nations or U.N. peacekeeping operations, whether this assistance is provided to the United Nations or to another country participating in such an operation. The section is not intended to apply to civilian police monitors, which are funded individually by the nation contributing monitors. As drafted, this section does not impede the President in his ability to use any constitutional authority to provide assistance at any time. This section exempts the deployment of United States troops by the President

from the requirement of reprogramming procedures under section 634A of the Foreign Assistance Act of 1961. As written, this section does not affect the President's constitutional authority as Commander-in-Chief. Nothing in this section shall be construed as an authorization of the use of force.

CODIFICATION OF REQUIRED NOTICE OF PROPOSED

UNITED NATIONS PEACEKEEPING OPERATIONS

Section 724 consolidates many current reporting requirements regarding international peacekeeping activities.

MISCELLANEOUS PROVISIONS

DENIAL OF ENTRY INTO UNITED STATES OF FOREIGN NATIONALS ENGAGED IN ESTABLISHMENT OR ENFORCEMENT OF FORCED ABORTION OR STERILIZATION POLICY

Section 801 requires the Secretary of State to deny a visa to any foreign national who the Secretary of State finds to have been directly involved in the establishment or enforcement of coercive population control policies. Drafted with flexibility for the executive branch in mind, this provision allows the Secretary of State to determine which officials meet this definition, contains exceptions for heads of state, heads of government and cabinet level officials, and also contains a national interest waiver. In addition, it provides the Secretary some flexibility in cases where a foreign national has discontinued support for or involvement with such coercive population policies.

TECHNICAL CORRECTIONS

Section 802 makes several technical corrections to the Foreign Affairs Reform and Restructuring Act.

REPORTS WITH RESPECT TO A REFERENDUM ON WESTERN SAHARA

Section 803 requires reporting on the efforts of the Government of Morocco and the Popular Front for the Liberation of Seguia el Hamra, and Rio de Oro (POLISARIO) to bring about a referendum regarding the status of the Western Sahara.

REPORTING REQUIREMENTS UNDER PLO COMMITMENTS COMPLIANCE ACT OF 1989

Section 804 requires reporting regarding aid to the Palestinian Authority and democratic reforms.

REPORT ON TERRORIST ACTIVITY IN WHICH UNITED STATES CITIZENS WERE KILLED AND RELATED MATTERS

Section 805 requires reporting requirements regarding terrorist attacks in the territory of Israel or territories administered by Israel or the Palestinian Authority in which U.S. citizens were killed or injured.

ANNUAL REPORTING ON WAR CRIMES, CRIMES AGAINST HUMANITY AND GENOCIDE

Section 806 requires that the annual human rights report contain information regarding commission of war crimes, crimes against humanity and genocide.

RESTRICTIONS ON NUCLEAR COOPERATION WITH NORTH KOREA

Subtitle B of Title VIII addresses issues of nuclear cooperation with North Korea. Under the 1994 Agreed Framework between the United States and North Korea, President Clinton committed the United States to arrange the construction in North Korea of two 1000 megawatt(e) light water nuclear reactors. Inasmuch as these reactors are to be of U.S. design, it will be necessary under the Atomic Energy Act of 1954 for the United States and North Korea to enter a bilateral agreement for cooperation in the field of nuclear energy before key components of the reactors can be transferred to North Korea. In recognition of this requirement under existing U.S. law, both countries explicitly committed themselves in the Agreed Framework to conclude such an agreement.

The Agreed Framework contemplates that the bilateral agreement for nuclear cooperation will come into effect when a significant portion of the reactor project is completed. This coincides with the time under the Agreed Framework when North Korea is obligated to come into full compliance with its safeguards agreement with the International Atomic Energy Agency (IAEA) and permit the IAEA full access to all sites and information in North Korea that the IAEA deems necessary to verify the accuracy and completeness of its initial report to the IAEA.

This section requires that no agreement for nuclear cooperation with North Korea may become effective, no licenses may be issued for export directly or indirectly to North Korea of any nuclear material, facilities, components, or other goods, services or technology, and no approval may be given for the transfer or retransfer directly or indirectly to North Korea of any nuclear material, facilities, components, or other goods, services or technology, until the President makes a determination and report to specified committees of Congress.

The determination requirement has seven elements. The basic thrust of the required determinations is that North Korea is in full compliance with its obligations under the Agreed Framework. Actions that would undermine the object and purpose of the Agreed Framework that are addressed in specific elements of the determination requirement include having a uranium enrichment facility or a nuclear reprocessing facility elsewhere than at the facilities frozen pursuant to the Agreed Framework, making significant progress toward acquiring or developing such facilities, and either having nuclear weapons or making significant efforts to acquire, develop, test, produce, or deploy such weapons.

These requirements apply in addition to all other applicable procedures, requirements and restrictions contained in the Atomic Energy Act of 1954 and other laws.

PEOPLE'S REPUBLIC OF CHINA

FINDINGS

Section 871 contains the findings that are largely a restatement and concurrence with the findings of the State Department in its Country Reports on Human Rights Practices, which noted that serious human rights abuses persisted and, in some cases, intensified in China in 1998.

FUNDING FOR ADDITIONAL PERSONNEL AT DIPLOMATIC POSTS TO REPORT ON POLITICAL, ECONOMIC, AND HUMAN RIGHTS MATTERS IN THE PEOPLE'S REPUBLIC OF CHINA

Section 872 provides $2,200,000 for each of fiscal years 2000 and 2001 for additional personnel at the United States embassies in China and Nepal, and U.S. consulates in China, for the monitoring of political and social conditions with particular emphasis and respect for human rights.

PRISONER INFORMATION REGISTRY FOR THE PEOPLE'S REPUBLIC OF CHINA

Section 873 requires the establishment of a registry to list and provide information on all known political prisoners in China. According to the State Department, there are thought to be thousands of such prisoners in China, but to date, no comprehensive list of all known prisoners exists. The provisions allow the State Department to make funds available to non-government organizations to assist in establishing and maintaining the registry.

ARREARS PAYMENTS AND REFORM

GENERAL PROVISIONS

This subtitle (sections 901 and 902) outlines the short title and key definitions regarding this title.

ARREARAGES TO THE UNITED NATIONS

AUTHORIZATION OF APPROPRIATIONS

Section 911 authorizes $100,000,000 in fiscal year 1998, $475 million in fiscal year 1999, and $244 million in fiscal year 2000 for the repayment of arrears to the United Nations, United Nations peacekeeping activities, United Nations specialized agencies, and other international organizations. Funds are authorized to remain available until expended. The funds for fiscal years 1998 and 1999 are already appropriated.

OBLIGATION AND EXPENDITURE OF FUNDS

Section 912 outlines the manner in which disbursements will be made, and requires that certification of specified reforms be completed prior to any disbursement of funds by the United States. The Secretary of State must notify the Congress 30 days prior to the disbursement of any funds. This section also provides the Secretary with the authority to waive two required certifications in order to disburse the funds authorized by this bill. Specifically, with respect to the funds authorized for fiscal year 1999, the Secretary may waive the certification that the United Nations contains established a ''contested arrears'' account for disputed arrears if there is substantial progress in meeting this condition. A waiver of this condition shall require the Secretary to notify the United Nations that the United States Congress does not consider the United States obligated to pay these amounts. With respect to fiscal year 2000 funds the Secretary may waive the requirement that the United Nations cap at 20 percent the U.S. share of the regular budget.

FORGIVENESS OF AMOUNTS OWED BY THE UNITED NATIONS TO THE UNITED STATES

Section 913 permits the President to forgive the United Nations up to $107 million in debt currently owed to the United States. In order to forgive this debt the United Nations must reduce its record of U.S. arrears to the United Nations by the amount of the debt forgiven by the United States.

UNITED STATES SOVEREIGNTY

CERTIFICATION REQUIREMENTS

Supremacy of the U.S. Constitution

Section 921 requires that the Secretary of State certify that the United States Constitution controls U.S. law and no action by the United Nations or any of its agencies contains caused the U.S. to violate the Constitution.

No United Nations Sovereignty

Section 921 requires that the Secretary of State certify that neither the United Nations nor its specialized agencies have exercise authority over the United States or taken forward steps to require that the U.S. cede sovereignty.

No United Nations Taxation

Section 921 requires the Secretary of State to certify that U.S. law does not give the United Nations any legal authority to tax the American people; no taxes or comparable fees have in fact been imposed; and there contains been no effort sanctioned by the United Nations to develop, advocate or promote such a taxation proposal. The exception for fees charged by the World Intellectual Property Organization is not intended to limit the scope of the exception for ''fees for publications or other kinds of fees that are not tantamount to a tax on United States citizens'', thus fees such as those charged by the International Telecommunications Union may be viewed as falling under the broader exception.

No United Nations Standing Army

Section 921 requires that the Secretary of State certify that the United Nations has

not taken formal steps to create or develop a standing army under Article 43 of the United Nations Charter.

No Interest Fees

Section 921 requires that the Secretary of State must certify that interest fees have not been levied on the United States for any arrears owed to the United Nations.

No United Nations Real Property Rights

Section 921 provides that the Secretary of State must certify that neither the United Nations nor its specialized agencies have exercised any authority or control over public or private property in the United States. It is agreed that this section should not be construed to override obligations of the International Organization Immunities Act, the Agreement Regarding the Headquarters of the United Nations, supplemental agreements to the Agreement, the Convention on the Privileges and Immunities of the United Nations, or under any other agreement with the United States according the United Nations or its specialized agencies, privileges and immunities, or which are otherwise provided for under United States law, or apply to property occupied or utilized under lease, sublease, or contract with private or government owners.

Termination of Borrowing Authority

Section 921 provides that the Secretary of State must certify that the United Nations has not engaged in external borrowing, nor have the financial regulations of the United Nations or any of its specialized agencies been amended to permit borrowing, nor has the United States paid any interest for any loans incurred through external borrowing by the United Nations or its specialized agencies.

REFORM OF ASSESSMENTS AND UNITED NATIONS PEACEKEEPING OPERATIONS

CERTIFICATION REQUIREMENTS

Section 931 requires that the Secretary shall not make her 1999 certification if she determines the 1998 certifications are no longer valid, and prior to payment of authorized arrears in fiscal year 1999, certify that the certification requirements set out below have been met.

Contested Arrears Account

Section 931 provides that the Secretary of State must certify a contested arrears account or some other appropriate mechanism has been created for the United States. This account represents the difference between what the United Nations says is owed by the United States and the amount recognized by the United States Congress. Thus, the sum of the obligations that the Congress is authorizing in this legislation is the total that the Congress will authorize to be appropriated to the United Nations for its arrears under the regular and peacekeeping budgets. Agreement must be reached with the United Nations that any monies identified in this account will not affect the voting rights of the United States as contained in Article 19 of the United Nations charter.

Limitation on Assessed Share of Budget for Peace Operations

Section 931 provides that the Secretary of State must certify that the share of the total peacekeeping budget for each United Nations assessed peace operation does not exceed 25 percent for any member.

Limitation on Share of Regular Budget

Section 931 provides that the Secretary of State must certify that the share of the total regular budget assessment for the United Nations does not exceed 22 percent for any member.

BUDGET AND PERSONNEL REFORM

CERTIFICATION REQUIREMENTS

Section 941 requires that the Secretary shall not make her fiscal year 2000 certification if she determines the fiscal year 1998 and 1999 certifications are no longer valid, and prior to payment of authorized arrears in fiscal year 2000, certify that the certification requirements set out below have been met.

Limitation on Assessed Share of Regular Budget

Section 941 provides that the Secretary of State must certify that the share of the total regular budget assessment for the United Nations and its specialized agencies does not exceed 20 percent for any member.

Inspector General for Certain Organizations

Section 941 provides that the Secretary of State must certify that the three largest U.N. specialized agencies—the International Labor Organization, the Food and Agriculture Organization, and the World Health Organization—have each established an internal inspector general office comparable to the Office of Internal Oversight Services established in the United Nations following a similar certification requirement in the Foreign Relations Authorization Act, Fiscal Year 1994–95 (section 401 of Public Law 103–236).

With regard to subsection (B), the approval of the member states of those organizations need not be expressed in a formal voting procedure, but may be expressed by means of ascertaining and taking into account the view of the member states. If such means is used in lieu of a formal vote, the views of the United States must be taken into account. With regard to the distribution of reports in subsection (F) of this requirement, what is essential is that the United States (and other Member States) have access to all annual and other relevant reports without modification, except to the extent it is necessary to protect the privacy rights of individuals. When privacy rights are impacted, reports may be redacted to protect individuals. However, it is not anticipated that wrongdoer cited in such reports are entitled to privacy protections.

New Budget Procedures for the United Nations

Section 941 provides that the Secretary of State must certify that the United Nations is implementing budget procedures that require the budget agreed to at the start of a budgetary cycle to be maintained, and the system-wide identification of expenditures by functional categories. For purposes of this section, system-wide identification of expenditures by functional categories means an object class distribution of resources. The object class distribution should accompany the initial regular assessed budget estimates for both the United Nations and its specialized agencies.

Sunset Policy for Certain United Nations Programs

Section 941 provides that the Secretary of State must certify that the United Nations and the International Labor Organization, the Food and Agriculture Organization, and the World Health Organization have each established an evaluation system that requires a determination as to the relevance and effectiveness of each program. The United States is required to seek a ''sunset'' date for each program unless the program demonstrates relevance and effectiveness. There is strong objection to the incorporation of funding for terminated programs into the baseline of the U.N. budget for the next biennium. Funding for programs which have ceased and one-time expenditures should not be carried over into the next budget cycle. The sunset of programs should result in financial savings for the member states.

United Nations Advisory Committee on Administrative and Budgetary Questions

Section 941 provides that the Secretary of State must certify that the United States have a seat on the United Nations Committee on Administrative and Budgetary Questions (ACABQ). Until 1997, the United States served on this committee since the creation of the United Nations. The ACABQ is key to the budgetary decisions at the United Nations and the United States, as the largest contributing nation, should have a seat on that Committee.

National Audits

Section 941 provides that the Secretary of State must certify that the General Accounting Office (GAO) contains access to United Nations financial data so that the GAO may perform nationally mandated reviews of all United Nations operations. Financial data means data pertaining to the financial transactions of the United Nations as well as data relating to its organization and activities. It is contemplated that as a result of this provision GAO will have access to the data it needs to conduct reviews of all U.N. operations.

Personnel

Section 941 provides that the Secretary of State must certify that the United Nations is enforcing a personnel system based on merit and is enforcing a worldwide availability of its international civil servants; a code of conduct is being implemented that requires, among other standards, financial disclosure statements by senior United Nations officials; a personnel evaluation system is being implemented; periodic assessments are being completed by the United Nations to determine total staffing levels and reporting of those assessments; and the United States contains completed a review of the United Nations allowance system, including recommendations for reductions in allowances.

Reduction in Budget Authorities

Section 941 provides that the Secretary of State must certify that the International Labor Organization, the Food and Agriculture Organization, and the World Health Organization have each approved a budget that is a no-growth budgeting the 2000–2001 biennium as compared to levels agreed to for the 1998–1999 budgets.

New Budget Procedures and Financial Regulations for Specialized Agencies

Section 941 provides that the Secretary of State must certify that the International Labor Organization, the Food and Agriculture Organization, and the World Health Organization have each established procedures require the budget agreed to at the start of a budgetary cycle to be maintained; the system-wide identification of expenditures by functional categories; and approval of supplemental budget requests to the Secretariat in advance of appropriations for those requests.

Limitation on Share of Regular Budget for Specialized Agencies

Section 941 provides that the Secretary of State must certify that the share of the total regular budget assessment for the International Labor Organization, the Food and Agricultural Organization, and the World Health Organization does not exceed 22 percent for any member.

MISCELLANEOUS PROVISIONS

STATUTORY CONSTRUCTION ON RELATION TO EXISTING LAWS

Section 951 makes clear that this bill will not change or reverse any previous provision of law regarding restriction on funding to international organizations.

PROHIBITION ON PAYMENTS RELATING TO UNIDO AND OTHER INTERNATIONAL ORGANIZATIONS FROM WHICH THE UNITED STATES CONTAINS WITHDRAWN OR RESCINDED FUNDING

Section 952 prohibits payment to organizations from which the United States has withdrawn or from which Congress has rescinded funding because the United States no longer participates in the organization, including the United Nations Industrial Organization and the World Tourism Organization.

DIVISION B—ARMS CONTROL, NONPROLIFERATION, AND SECURITY ASSISTANCE

ARMS CONTROL AND NONPROLIFERATION

ARMS CONTROL

KEY VERIFICATION ASSETS FUND

Section 1111 gives an important new funding flexibility to the Department of State. The Senate proposal has been modified to authorize up to $5,000,000 to be made available, for fiscal years 2000 and 2001, to a ''Key Verification Assets Fund.'' This fund is expected to be used for the research, development, and acquisition of verification technologies. However, because only a limited amount of funds is available, the Fund is directed to be generally used only as ''seed money'' for the Department to capitalize upon projects undertaken by other agencies.

Funds made available also may be used to retain verification assets. The Fund therefore can serve as a tool of the policy community in those instances when policy objectives diverge from intelligence community priorities. Again, because resources are limited, this Fund should not be used for the long-term retention of assets, but rather as an emergency, ''stop-gap'' funding source to keep critical verification assets afloat until a more appropriate source of funds can be identified.

In light of recent events, the Secretary of State needs to have discretionary funds available to prevent verification technologies and programs from falling by the wayside. The experience with the WC–135 aircraft (which is used to collect debris from nuclear tests) is a case in point. This plane is one of a kind, yet the Air Force tried to cancel this irreplaceable asset. Cancellation was narrowly avoided, and sufficient resources were scraped together to keep the plane flying for the near term, although longer-term commitment to the program by both the executive branch and Congress is still very much in doubt.

Had resources been available under this account, the Secretary of State could have applied funds to keep the plane operating temporarily. Indeed, resources under the account may yet be needed. The Executive is urged to ensure that the Cobra Dane radar is retained.

Finally, while the authority to transfer funds made available to the ''Key Verification Assets Fund'' resides with the Secretary, it is intended that the Assistant Secretary of State for Verification and Compliance assume responsibility for the identification of technologies or programs to be funded and manage those programs once State Department funds are applied. Funds, if appropriated, may not be reprogrammed from this account.

ASSISTANT SECRETARY OF STATE FOR VERIFICATION AND COMPLIANCE

Section 1112 establishes a bureau within the Department of State to be headed by an Assistant Secretary of State for Verification and Compliance, as proposed by the Senate. The Department of State has not provided for such a Bureau as a successor to the Arms Control and Disarmament Agency's Bureau for Intelligence, Verification, and Information Support (IVI), despite the fact that this Bureau was the only entity within the United States Government in which the principal function was the verification and enforcement of arms control treaties and commitments.

The reorganization plan implemented by the Department of State to accomplish the merger with ACDA scattered IVI's staff, leaving in its stead a Special Assistant to the Under Secretary for Arms Control and International Security and a Deputy Assistant Secretary within a larger bureau, neither of whom is confirmed by the Senate. This is a demotion of verification and compliance functions, as the principal advocate for arms control verification now has a position of far less stature than his counterparts within the State Department regional bureaus, and elsewhere in the executive branch.

It is essential that the verification and compliance aspects of arms control and nonproliferation agreements are given a voice at the most senior policy-making levels. A true commitment to vigorous enforcement of arms control and nonproliferation agreements and sanctions cannot be maintained by submerging compliance analysis within other bureaus.

The need for an Assistant Secretary—and a Bureau—for Verification and Compliance is supported by former ACDA Directors Ron Lehman and Eugene Rostow, as well as several other key Reagan, Bush, and former Clinton Administration officials. In addition, the Chairman and Vice Chairman of the Senate Intelligence Committee have expressed support for such a step.

Accordingly, this division establishes the position of Assistant Secretary of State for Verification and Compliance (V&C) and identifies the principal authorities and responsibilities of the position. Specifically, section 1112 provides that the Assistant Secretary for V&C has primary responsibility for all verification and compliance issues associated with arms control, nonproliferation, and disarmament agreements or commitments. As such, it is intended that the Assistant Secretary to have overall oversight of policy and resources relating to verification and compliance regarding not only various treaties, but also executive agreements and commitments, including those falling within the purview of regional bureaus (when such agreements or commitments pertain to arms control, nonproliferation, or disarmament).

Section 1112 ensures that—with some specific exceptions—the Assistant Secretary shall serve as the principal State Department participant in all executive branch interagency groups, including intelligence groups, concerned with verification or compliance matters. Further, this section stipulates that the Assistant Secretary for V&C, rather than any other official within the Department of State or elsewhere, shall be considered the principal liaison to the intelligence community on verification and compliance issues.

Finally, section 1112 identifies those reports, or portions thereof, for which the Assistant Secretary for V&C is to have primary responsibility. There is an inevitable tension between the enforcement of arms control, nonproliferation, and disarmament agreements and the implications that such enforcement has for various countries—and therefore the implications that the policies pursued by the Assistant Secretary for V&C will have for the policies pursued by other Bureaus. Therefore, these reports should be submitted to Congress as prepared by the Assistant Secretary to the maximum extent possible, with any concerns of other Bureaus or State Department officials presented in annexes to such reports.

ENHANCED ANNUAL (''PELL'') REPORT

Section 1113 expands the reporting requirement contained in section 403 of the Arms Control and Disarmament Act to include an assessment of the adherence of other nations to commitments such as the Missile Technology Control Regime (MTCR). Compliance with commitments such as the MTCR (which is central to U.S. nonproliferation efforts) is no less important than compliance with arms control measures, and should be assessed in the same report, according to the same standards.

Section 1113 further amends section 403 of the Arms Control and Disarmament Act by requiring that each report specifically identify, to the maximum extent practicable in unclassified form, each and every compliance question that arises. Although the need to protect sensitive intelligence information and information on diplomatic initiatives is understood, the argument that the confidentiality clause of the START Treaty, in and of itself, bars public identification of violations of that treaty is rejected by most Members. Previous reports included specific unclassified discussions of compliance.

Additionally, section 1113 requires that compliance questions be carried in each successive report until the situation of concern has been resolved and the conclusion reported to the Congress. In this way, violations will not be allowed to go unresolved or be forgotten.

REPORT ON START AND START II TREATIES MONITORING ISSUES

Section 1114 requires an assessment of the capabilities of the intelligence community to monitor compliance with the START and START II Treaties. Specifically, the report requires an assessment of all monitoring activities, the intelligence community assets and capabilities that the Senate was informed would be necessary to accomplish those activities, and the status of those assets. In addition, the report must contain an assessment of all Russian activities relating to the START Treaty which have an impact on the United States' ability to monitor Russian compliance with that Treaty. This section also allows the Director of Central Intelligence to provide exceptionally sensitive, compartmented information separately to the Intelligence Committees. The Intelligence Committees, in turn, have an obligation to make the committees of jurisdiction aware of the pertinent aspects of such information.

STANDARDS FOR VERIFICATION

Section 1115 amends section 306(a) of the Arms Export Control Act to provide the chairman and ranking minority member of the Foreign Relations Committee of the Senate and International Relations Committee of the House of Representatives with the ability to request verifiability assessments of proposals made to, and by, the United States. The Assistant Secretary of State for Verification and Compliance is intended to be responsible for such assessments in accordance with the authorities under section 1112.

CONTRIBUTION TO THE ADVANCEMENT OF SEISMOLOGY

Section 1116 relates to seismic monitoring of underground events such as nuclear tests and earthquakes. The scientists who work in the field of seismology provide an invaluable service around the world. Their close monitoring of data helps mankind to anticipate earthquakes, tsunamis and other natural disasters. The field of seismology also is critical to United States monitoring of the nuclear weapons test programs of foreign nations. Section 1116 ensures that the non-governmental U.S. seismological community is given immediate access to all unclassified seismological data provided to the United

States Government by any international organization in which the United States participates that is directly responsible for seismological monitoring. If the United States is going to invest funds in such organizations, it should ensure that its participation benefits the nation's universities, science centers, and seismological community. Section 1116 is not intended to require, however, that the United States make public seismological data that a country might submit to an international organization, but that is not part of a network managed or sponsored by such organization.

PROTECTION OF UNITED STATES COMPANIES

Section 1117 provides up to $2,000,000 in funds to be reimbursed by the Department of State to the Federal Bureau of Investigation, at the request of the FBI Director, for the Bureau's assistance in monitoring the activities of foreign nationals who must be given access to United States companies under the Chemical Weapons Convention (CWC). When the Senate gave its advice and consent to the CWC, an issue of great concern was the right of international inspectors to conduct intrusive visits of any company in the United States. To guard against the potential for economic espionage, the Congress required that a special agent of the Federal Bureau of Investigation accompany every inspection team. This imposes a financial burden on the FBI.

Although this authority has been provided for the next two years, upon expiration of the two year period, it is expected that the FBI will assume all financial responsibility for continued implementation of the Bureau's obligation under the CWC Implementation Act. Section 1117 requires a report from the FBI no later than a year and half from the date of enactment. The purpose of this report is to provide Congress with assurance that the Bureau has taken the necessary steps to assume full responsibility for all aspects of its legal obligations under the Chemical Weapons Convention Implementation Act of 1998.

REQUIREMENT FOR TRANSMITTAL OF SUMMARIES

Section 1118 requires that the committees of jurisdiction receive the various arms control summaries that are routinely prepared by United States delegations overseas. Such summaries are expected to be transmitted promptly to the committees.

MATTERS RELATING TO THE CONTROL OF BIOLOGICAL WEAPONS

Chapter 2 of Subtitle A of Title XI (sections 1121–1124) requires the conduct of national trial visits and investigations at United States government facilities and, if at all possible, at private locations such as pharmaceutical plants and biotechnology companies. It further stipulates that personnel specializing in protecting national security and proprietary information participate in these trials to ensure that the risks associated with such measures are fully understood and minimized. A presidential study and report are required regarding the need for investigations and visits, the benefits to be expected, and the risk to national security and commercial industry of such investigations and visits under a Biological Weapons Convention (BWC) compliance protocol now under negotiation.

It is noted that the threat of biological weapons attack is one of the greatest national security threats facing the United States. For a variety of reasons, the production and stockpiling of these weapons can be readily concealed. The executive branch has yet to articulate how various compliance measures being considered for addition to the existing Biological Weapons Convention will assist in the enforcement of that treaty. At the same time, United States companies that would be required to comply with compliance measures fear significant harm due to loss of proprietary information or unfounded allegations of BWC violations. Accordingly, Chapter 2 requires the executive branch to engage in the same approach to the BWC as was taken in the case of the Chemical Weapons Convention—namely, the conduct of national trial visits and investigations.

NUCLEAR NONPROLIFERATION, SAFETY, AND RELATED MATTERS

CONGRESSIONAL NOTIFICATION OF NONPROLIFERATION ACTIVITIES

Section 1131 revises and expands the obligation of executive branch agencies to keep the Committee ''fully and currently'' informed of nonproliferation issues. Several agencies have had this obligation for decades, including the Departments of Commerce, Energy, Defense, and State. However, it is a matter of concern that few have been fulfilling their obligations in a timely manner.

Section 1131 extends part of the reporting obligation contained in section 602 of the Nuclear Nonproliferation Act of 1978 to the Director of Central Intelligence, makes clear that all proliferation matters are to be covered, and requires disclosure of sensitive matters relating to proliferation activities of foreign nations to the Foreign Relations Committee of the Senate and International Relations Committee of the House within 60 days of the executive branch agency in question becoming aware of such activity.

EFFECTIVE USE OF RESOURCES FOR NONPROLIFERATION PROGRAMS

Section 1132 the allocation of any United States Government funds to any individual who is involved in offensive chemical or biological warfare programs. Such activities would violate the Chemical Weapons Convention or the Biological Weapons Convention. This prohibition does not extend to those individuals working on legitimate chemical or biological defense programs.

DISPOSITION OF WEAPONS-GRADE MATERIAL

Section 1133 requires the Secretary of Energy, with the concurrence of the Secretary of Defense, to identify for Congress the number of nuclear weapons pits of each type that it intends to dismantle pursuant to an excess plutonium disposition agreement with Russia. It is not clear to the Executive branch has identified the sources for a self-declared fifty metric tons of ''excess'' plutonium. Nor are the implications clear of such a program for maintenance of the Stockpile Stewardship Program of the Department of Energy.

Additionally, section 1133 seeks advance notice from the executive branch that when the agreement to establish a mixed oxide fuel fabrication or production facility in Russia is submitted to the Congress under section 123 of the Atomic Energy Act, the Secretary of State will be expected to certify that the proposed establishment of a mixed oxide (MOX) fuel plant in Russia will not become a major proliferation concern for future Administrations. Section 1133 seeks to guard against such nonproliferation concerns by insisting that clear guarantees be given to the United States by Russia that it will not supply fuel assemblies containing weapons-grade plutonium or sensitive technology related to the MOX facility to any country of concern to the United States. This is essential given the nuclear-supply relationship that Russia has with countries such as Iran and India. Further, section 1133 expects Russia to agree that the MOX facility will be subject to a sufficient level of international safeguards to ensure that special nuclear material (e.g. weapons-grade plutonium) is not diverted.

PROVISION OF CERTAIN INFORMATION TO CONGRESS

Section 1134 makes clear that no executive branch agency may legally withhold information that it is required to submit pursuant to section 602 of the Nuclear Nonproliferation Act. It also requires the issuance of directives by these agencies to ensure that all required information, including information contained in Special Access Programs, is provided to the Foreign Relations Committee of the Senate and International Relations Committee of the House of Representatives in a timely fashion, as required by law.

AMENDED NUCLEAR EXPORT REPORTING REQUIREMENT

Section 1135 clarifies the type of information that the appropriate committees expect to receive in connection with Congressional notifications of nuclear-related exports for commercial power generation. This provision is not intended in any way to establish an arms sale or reprogramming notification process. It is expected, however, that the Executive branch begin fulfilling its legal obligation to make the requisite nuclear export notifications to the Foreign Relations Committee of the Senate and the International Relations Committee of the House.

ADHERENCE TO THE MISSILE TECHNOLOGY CONTROL REGIME

Section 1136 amends section 74 of the Arms Export Control Act (AECA), relating to the Missile Technology Control Regime (MTCR), to clarify the meaning of several terms and to revise the report that is required to Congress under this section of the AECA. Most notably, section 1136 makes clear that a country will enjoy substantial protection from the MTCR sanctions law only if it specifically agrees not to transfer any missile-related equipment or technology that would be subject to U.S. jurisdiction under the AECA (if it were U.S.-origin equipment or technology). Any country that has not agreed to take this step—perhaps having only agreed to control production equipment, for instance—should be aware that it still may be sanctioned under the AECA even if it concludes a bilateral understanding with the United States.

Section 1136 also requires the Director of Central Intelligence to submit a detailed itemization of all credible information indicating that a country which has just concluded an MTCR-agreement with the United States has transferred, or conspired to transfer, equipment or technology in violation of the MTCR sanctions law in the previous two years.

AUTHORITY RELATING TO MTCR ADHERENTS

Section 1137 is a conforming amendment necessitated by the provisions of section 1136(a). It provides the President with the authority to invoke MTCR sanctions against a proliferating entity if such person has not concluded a comprehensive agreement with the United States as defined by section 74(b)(1) of the Arms Export Control Act.

TRANSFER OF FUNDING FOR SCIENCE AND TECHNOLOGY CENTERS IN THE FORMER SOVIET UNION

Section 1138 authorizes the use of funds made available under the ''Nonproliferation, Antiterrorism, Demining, and Related Programs'' accounts, beginning in fiscal year 2001, for science and technology centers in the former Soviet Union. It was decided that the application of this authority would be delayed until 2001 in order to provide the Department of State sufficient time to adjust its foreign operations budget to incorporate

this programmatic transfer. The NADR account is more appropriate for science and technology center programs since those activities are, in essence, nonproliferation programs.

RESEARCH AND EXCHANGE ACTIVITIES BY SCIENCE AND TECHNOLOGY CENTERS

Section 1139 clarifies that section 503(a)(5) of the FREEDOM Support Act of 1992 authorizes the use of funds to support research activity involving the participation of civilian scientists and engineers, provided that the participation of former Soviet weapons scientists predominates. Section 1139 also makes clear that funding of international exchanges is permitted in order to facilitate the commercial exposure of former weapons scientists. This new flexibility is important to enable the science and technology centers to continue performing their important defense conversion and nonproliferation functions.

SECURITY ASSISTANCE

TRANSFERS OF EXCESS DEFENSE ARTICLES

EXCESS DEFENSE ARTICLES FOR CENTRAL AND SOUTHERN EUROPEAN COUNTRIES

Section 1211 allows the Department of Defense during fiscal years 2000 and 2001 to reduce excess or obsolete stocks of defense articles by offering equipment to eligible foreign governments for enhancement of their defense capabilities. These equipment transfers are an important element of United States foreign policy. The reauthorization through fiscal year 2004 of the authority to transfer excess defense articles to Greece and Turkey, in accordance with the established ratio, will benefit the security of the United States and bolster the military capabilities of these two important NATO allies.

EXCESS DEFENSE ARTICLES FOR CERTAIN OTHER COUNTRIES

Section 1212 gives the Department of Defense the authority to use funds appropriated for the national defense of the United States to pay for packing, crating, handling, and transportation of excess defense articles (EDA) to specific countries. Several countries operate under severe budget constraints, and could not afford the costs of packing, crating, handling, and transportation, even if the EDA itself were provided at no cost. Thus, utilization of this authority is recommended in such cases.

There is concern with the potential impact of section 1212 upon the Department of Defense. Accordingly, no funds shall be expended for the crating, packing, handling, or transportation of excess defense articles under this section until the Foreign Relations Committee of the Senate and the International Relations Committee of the House are notified of the amount proposed to be so expended. Through this notification procedure the committees of jurisdiction will minimize the impact upon the defense budget of the non-defense spending authorized under section 1212.

INCREASE IN ANNUAL LIMITATION ON TRANSFER OF EXCESS DEFENSE ARTICLES

Section 1213 increases the dollar value of excess equipment that may be given away for free by the Department of Defense on a yearly basis. The increase is substantial, from $350,000,000 to $425,000,000. This is needed because the United States Armed Forces have determined that it has stocks of obsolete equipment and munitions well in excess of the current ceiling. The military is unwilling to retain large quantities of obsolete material and will destroy or demilitarize useful equipment if it cannot be provided to another party in a timely manner.

FOREIGN MILITARY SALES AUTHORITIES

TERMINATION OF FOREIGN MILITARY FINANCED TRAINING

Section 1221 provides the United States Government with the ability to terminate training or study programs with foreign nations in a more orderly fashion by allowing funds to be expended, under certain circumstances, to complete training or study programs already underway at the time of termination.

SALES OF EXCESS COAST GUARD PROPERTY

Section 1222 authorizes the United States Government to provide excess Coast Guard equipment on a sales basis, in addition to the extant grant authority. On occasion, the United States Coast Guard determines that some of its smaller vessels are excess. These vessels are suitable for various countries which may not possess a ''blue water'' navy but are in need of equipment for coastal and riverine defense, and for Search-and-Rescue Operations.

Currently, section 516(i) of the Foreign Assistance Authorization Act of 1961 authorizes the grant transfer of excess Coast Guard equipment to eligible foreign countries for their defense capabilities. Current law, under section 21 of the AECA, does not authorize the sale of excess Coast Guard equipment. Section 1222 remedies this situation.

The sale of excess Coast Guard equipment to foreign countries is preferable to donation under a grant authority. This will generate funds for the United States Treasury miscellaneous receipts account. To the maximum extent possible, Coast Guard vessels will be transferred pursuant to this sale authority rather than grant authority.

COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES

Section 1223 permanently amends current law to include a provision contained in annual appropriations legislation since fiscal year 1996. Section 1223 allows direct costs associated with meeting additional or unique requirements for foreign customers to be paid with foreign military financing (FMF) grants. Loadings associated with such costs must be at the same rates as those applicable to the Defense Department. Under this provision the costs of defense goods and services are reduced to FMF grant recipients, thereby stretching scarce security assistance resources.

NOTIFICATION OF UPGRADES TO DIRECT COMMERCIAL SALES

Section 1224 amends the Arms Export Control Act to ensure that the committees of jurisdiction are notified of any upgrades or enhancements to the technology or capability of a defense article or service which already has been notified to the Committee pursuant to section 36(c) of the Arms Export Control Act (which relates to commercial arms sales).

UNAUTHORIZED USE OF DEFENSE ARTICLES

Section 1225 amends section 3 of the Arms Export Control Act to require formal agreement between the United States and recipient nations that the United States retains the right to verify credible reports that United States Munitions List articles have been used for unauthorized purposes. Section 4 of the AECA enumerates the purposes for which defense articles may be furnished, including internal security and legitimate self-defense. Therefore, although it may prove difficult, the executive branch must ensure that defense articles are used only for these or other permitted activities, and not for non-authorized actions (such as torture and the violation of human rights).

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

ADDITIONS TO UNITED STATES WAR RESERVE STOCKPILES FOR ALLIES

Pursuant to section 514 of the Foreign Assistance Act of 1961, the Department of Defense can only make additions to War Reserve Stockpiles for Allies as specifically provided for in legislation. Section 1231, proposed by the House, authorizes the President to make $40,000,000 in additions to stockpiles in Korea and $20,000,000 in Thailand for fiscal year 2000.

The War Reserve Stockpiles for Allies programs in both Korea and Thailand directly support the United States strategy of forward engagement in the Pacific theater. Both the Republic of Korea and the Government of Thailand assume the cost of storage, maintenance and security of these stockpiles, thereby saving the United States significant operating expenses. These stocks directly support the U.S. plans for the defense of Korea. They also help to ensure continued access to staging facilities in Thailand (which have become all the more important with the loss of base rights in the Philippines).

Stockpiles enable equipment and supplies to be pre-positioned in key parts of the world to enhance U.S. and host country defense readiness. While items in the stockpiles remain the property of the United States Government, they can be set aside for use by host nation forces in accordance with section 514(a) of the FAA. Since 1972 the United States has maintained a war stockpile in the Republic of Korea, placing obsolete or excess munitions in storage as military requirements determined. The stockpile in Thailand has been maintained since 1987.

Section 1231 will enable the United States to avoid the maintenance, storage, transportation, and demilitarization costs of excess munitions by transferring these items to Korea. By agreement with the Government of Korea, United States payment of the storage of assets designated as war reserve stockpiles is deferred until the United States uses or sells the munitions to another country, although the assets remain under U.S. title at all times.

While excess and obsolete munitions could be disposed of through either foreign military sales or demilitarization, neither option is optimal. Foreign military sales to other countries are limited due to the extra cost incurred by the buyer to transport the munitions from the Korean peninsula. Demilitarization is a very slow and expensive process. The cost to the United States Army to retrograde to the United States and demilitarize the munitions covered by section 1231 would also prove significant. Transfer of excess and obsolete munitions to the Korean War Reserve Stockpile, however, will result in the avoidance of those costs, increase storage space for U.S. Forces Korea, and improve the warfighting readiness of the Republic of Korea and the Combined Forces Command.

The additional $20,000,000 authorization for Thailand is required to fulfill expected U.S. obligations under the Memorandum of Understanding establishing the Thai War Reserve Stockpiles program. It is expected that the U.S. contribution will be matched dollar-for-dollar by the Government of Thailand.

TRANSFER OF CERTAIN OBSOLETE OR SURPLUS DEFENSE ARTICLES IN THE WAR RESERVES STOCKPILE FOR ALLIES

Section 1232 provides authority to the United States Armed Forces to transfer obsolete or surplus stocks out of the War Reserve Stockpiles in Korea and Thailand. In exchange for providing these stocks to Korea

and Thailand, the United States will negotiate concessions in the form of cash compensation, services, waiver of charges otherwise payable by the U.S. Government, and other items of value. During 1995 and 1996, the U.S. Government traded $66,620,000 in obsolete and surplus equipment to the Republic of Korea for a like sum in concessions. These concessions included reclamation of equipment that was deemed surplus or obsolete but for which a need subsequently arose, minus the costs associated with storing the items by the Republic of Korea. Additionally, the Republic of Korea demilitarized equipment at no cost to the United States and accepted older equipment such as the M48A5 tanks and the M–110A2 Howitzer from the stockpiles which were missing spares and no longer supportable.

Section 1232 requires fair market value compensation to the United States for surplus and obsolete munitions. It also will relieve the U.S. Government of financial indebtedness for back storage costs and other stockpile maintenance costs, and save millions in cost avoidance to demilitarize, destroy, or retrograde the munitions and equipment back to the United States.

Section 1232 requires the Department of Defense to submit a report to the Foreign Relations Committee of the Senate and the International Relations Committee of the House of Representatives at least 30 days prior to any transfer by the Department of Defense to the Republic of Korea or the Government of Thailand, detailing such transfer and the negotiated concessions for excess or obsolete equipment. A more comprehensive accounting of such concessions is expected than was previously provided pursuant to authority contained in the Fiscal Year 1994–95 Foreign Relations Authorization Act (Public Law 103–236).

DEFENSE OFFSETS DISCLOSURE

DEFENSE OFFSETS DISCLOSURE ACT OF 1999

Subtitle D of Title XII (sections 1241–1248) establishes United States policy on economic offsets, revises executive branch reporting requirements to Congress on such matters, expands the existing prohibition within the Arms Export Control Act relating to incentive payments, and establishes a National Commission on the Use of Offsets in Defense Trade to assess all aspects of the issue.

The term ''offsets'' refers to the practice by foreign countries of demanding economic concessions as incentives to buy U.S. defense products. Notably, the demand by foreign nations for ''offsets'' in defense trade costs jobs and hurts the United States economy.

However, it is also noted that, in this highly-competitive era, offsets may prove necessary. As long as foreign competitors are willing to offer economic concessions and incentives, U.S. companies risk losing important sales if they refuse to do likewise. The Defense Offsets Disclosure Act of 1999 adopts a prudent, business-friendly approach to a matter that is of extreme sensitivity to United States companies. While the long-term objective of Subtitle D is to curtail the use of offsets in defense trade, as a practical matter the Act simply establishes a process whereby the President should seek multilateral agreement on standards for the use of offsets and may, if he concurs with the findings of a commission of experts, commence negotiation of a treaty to address the issue.

AUTOMATED EXPORT SYSTEM RELATING TO EXPORT INFORMATION

PROLIFERATION PREVENTION ENHANCEMENT ACT OF 1999

Subtitle E of Title XII (sections 1251–1256) creates an electronic filing system for shippers export declarations made to the U.S. Customs Service. Specifically, the Act mandates use of an automated export system that has been in existence since 1995, but which is only used by roughly 10 percent of the U.S. shipping community. Creation of an internet-based electronic system will enable the United States Government to track sophisticated efforts by nations to acquire sensitive technology. Currently, the United States is hampered in its efforts to track foreign acquisition efforts because the current export declaration process is paper-intensive, and because foreign nations seldom engage in ''one stop shopping.'' Indeed, many nations engage in diffuse procurement schemes to acquire components and materials from a wide array of sources. It is very difficult for those agencies within the executive branch tasked with monitoring foreign weapons programs to cull through mountains of paper to discover important patterns and linkages.

The establishment of an internet system will assist in this effort. It also will, in the long-run, prove more ''business friendly'' than the current system. Section 1252 ensures that ''on-line'' help is given to those who must use the system, which must be secure and capable of handling the expected volume of information, and allows for printed hard copies of documents for business records. The Department of Commerce is expected to keep the Foreign Relations Committee of the Senate and the International Relations Committee of the House completely informed on the system's electronic architecture, and section 1254 requires the Department of Commerce to consult with other relevant agencies and submit a report on how the system can be optimized for law enforcement and nonproliferation purposes, consistent with the need to ensure the confidentiality of business information.

Section 1255 also addresses concerns of the U.S. business community by eliminating current salary limitations for the Office of Defense Trade Controls of the Department of State. These limitations, imposed by the Office of Personnel Management, have severely impaired the ability of ODTC to recruit and retain licensing officers and other individuals. It is anticipated that the flexibility provided under section 1255, together with the additional resources made available to ODTC under section 1310, will enable the Department of State to improve the efficiency of ODTC.

INTERNATIONAL ARMS SALES CODE OF CONDUCT ACT OF 1999

Subtitle F of Title XII (sections 1261 and 1262) directs the President to pursue negotiations to establish an international regime to promote global transparency with respect to arms transfers, and to limit, restrict, or prohibit arms transfers to countries that do not observe certain fundamentals of human liberty, peace, and international stability. While the President is given discretion in preparing a United States negotiating position, section 1262(b) enumerates criteria which should factor prominently.

In order to maintain momentum for negotiation of an international code of conduct, section 1612(c) requires frequent reports detailing the progress made, if any, throughout such negotiations. Further, this section directs that the annual human rights report prepared pursuant to the Foreign Assistance Act describe the extent to which foreign nations meet the criteria established under section 1262(b).

TRANSFER OF NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES

AUTHORITY TO TRANSFER NAVAL VESSELS

Section 1271 makes technical and conforming amendments to existing law relating to the transfer of naval vessels to foreign nations. Transfers of naval vessels, like the transfer of all military equipment, are subject to the jurisdiction of the Committee on Foreign Relations of the Senate and International Relations of the House of Representatives. However, for budgetary scoring reasons, the Congressional defense committees authorized a series of ship transfers under section 1018 of the National Defense Authorization Act for Fiscal Year 2000. That section authorizes the Secretary of the Navy to transfer naval vessels when, in fact, the authority should be given to the President in order to remain consistent with the requirements of the Foreign Assistance Act and the Arms Export Control Act. Section 1271 makes this minor technical amendment; it also transfers the authority to exempt naval vessel transfers from excess defense article limitations from the defense bill to the foreign affairs bill, which is the appropriate legislative vehicle for such an authority.

MISCELLANEOUS PROVISIONS

PUBLICATION OF ARMS SALES CERTIFICATIONS

Section 1301 amends section 36 of the Arms Export Control Act to ensure that the full unclassified text of all certifications of arms sales, including foreign military sales, commercial sales, and the provision of defense services, is published in the Federal Register in a timely fashion. This section also requires that if portions of such certifications are classified, pursuant to section 36(b) and (c), the classified information be accompanied by a description of the damage to the national security that could be expected to result from public disclosure of the information.

NOTIFICATION REQUIREMENTS FOR COMMERCIAL EXPORT OF ITEMS ON UNITED STATES MUNITIONS LIST

Section 1302 requires U.S. commercial defense exporters to submit information to the Department of State which will help to improve arms export shipment data. This provision is necessary to address the long-standing problem of incomplete commercial arms delivery data.

ENFORCEMENT OF ARMS EXPORT CONTROL ACT

Section 1303 strengthens enforcement of civil violations of the Arms Export Control Act. The Department of State relies on the Department of Justice to prosecute criminal violations of the AECA, but lacks resources to pursue administrative proceedings relating to civil violations as vigorously as would be desired.

In order to streamline the procedures in a manner that would continue to ensure a fair opportunity for persons and firms to represent their views, while simultaneously encouraging the viable and vigorous enforcement that is critical to protecting U.S. national security, the Secretary of State is provided with authority similar to that used to enforce other statutes, including the International Emergency Economic Powers Act, to assess civil penalties directly in accordance with regulations. It is expected that the Department of State will still be required to commence a civil action in order to recover such any such disputed penalties, thereby continuing to afford parties an opportunity to contest the assessment in court. It is further expected that the Department will provide draft regulations proposed to implement this section to the Committees on International Relations and Foreign Relations for review, thereby affording defense exporters the ability to provide input. Such regulations should permit the parties to explain their actions and make known their views fully through written submissions and provide ample opportunity for settlement.

This provision is not intended to erode due process for defense exporters, and such exporters, under regulations promulgated to